



## **COUNCIL**

### **MINUTES OF THE SPECIAL MEETING HELD VIA MICROSOFT TEAMS ON THURSDAY 10<sup>TH</sup> SEPTEMBER AT 5.00PM**

#### **PRESENT:**

Councillor C. Andrews - Mayor  
Councillor J. Gale - Deputy Mayor

#### **Councillors:**

M. Adams, Mrs E.M. Aldworth, A.P. Angel, J. Bevan, P.J. Bevan, C. Bezzina, L.J. Binding, A. Collis, S. Cook, D. Cushing, C. Cuss, W. David, D.T. Davies, M. Davies, K. Dawson, N. Dix, C. Elsbury, K. Etheridge, M. Evans, A. Farina-Childs, Mrs C. Forehead, Miss E. Forehead, J.E. Fussell, A. Gair, N. George, C. Gordon, R.W. Gough, D.T. Hardacre, L. Harding, D. Harse, D. Havard, A.G. Higgs, A. Hussey, M.P. James, V. James, L. Jeremiah, G. Johnston, Mrs B.A. Jones, S. Kent, G. Kirby, Mrs A. Leonard, Ms P. Leonard, C.P. Mann, P. Marsden, B. Miles, S. Morgan, Mrs G.D. Oliver, B. Owen, Mrs T. Parry, Mrs L. Phipps, D.V. Poole, D.W.R. Preece, Mrs D. Price, J. Pritchard, J. Ridgewell, J.E. Roberts, R. Saralis, Mrs M.E. Sargent, J. Scriven, G. Simmonds, J. Simmonds, S. Skivens, Mrs E. Stenner, J. Taylor, C. Thomas, A. Whitcombe, R. Whiting, L G. Whittle, T. Williams, W. Williams, B. Zaplatynski

#### **Together with:-**

C. Harrhy (Chief Executive), M.S. Williams (Interim Corporate Director of Communities), D. Street (Corporate Director Social Services), R. Edmunds (Corporate Director Education and Corporate Services), S. Harris (Interim Head of Financial Services and Section 151 Officer) R. Hartshorn (Head of Public Protection), R. Tranter (Head of Legal Services and Monitoring Officer), L. Lane (Head of Democratic Services and Deputy Monitoring Officer), E. Sullivan (Senior Committee Services Officer) and C. Evans (Committee Services Officer)

### **RECORDING AND VOTING ARRANGEMENTS**

The Chief Executive reminded those present that the meeting was being recorded and would be made publically available in live and archive form via the Council's website and advised that decisions would be made via Microsoft Forms in Teams.

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

Apologies for absence were received from Councillors J. Bevan, D. Hardacre, D. Harse, B. Jones, A. Leonard, G. Oliver, M. Sargent.

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

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

## **STATEMENT FROM THE LEADER OF COUNCIL**

The Leaders Statement advised Members that with sadness, she had accepted Cllr Carl Cuss' resignation yesterday afternoon from the post of Cabinet Member for Social Care.

The Leader recognised the work that Cllr Cuss had done within the Cabinet over recent years along with his service to the community and in resigning had acted with great integrity.

The Leader confirmed that she now needed to consider filling this key Cabinet role as soon as possible in order to ensure that this Council are prepared to face the significant and challenging agenda ahead. She felt it imperative to have Cabinet fully resourced in order to lead the authority during these unprecedented times.

Members were assured that they would be kept updated on this matter.

The Leader of the Plaid Group expressed his disappointment in the actions of the former Cabinet Member but respected the integrity of his decision to acknowledge the mistakes made and resign.

## **REPORTS OF OFFICERS**

### **4. THE COUNCIL RESPONSE TO THE CORONAVIRUS PANDEMIC**

The Leader of Council and Chief Executive introduced the report and presentation which detailed the Council's response to the Coronavirus Pandemic.

Firstly, the Leader paid tribute to and thanked all Council Staff for their hard work and dedication and the way in which they had responded to the crisis. Tribute was paid to the way staff had responded to the reshaping and reconfiguring services to ensure that the authority was able to meet the many challenges that the outbreak presented.

The Leader explained how an army of staff and volunteers had been mobilised and how they had all gone that extra mile to help. An innovative and hugely popular free school meals service was created that continued to lead the way in Wales. School sites were transformed into childcare hubs for keyworkers and a new Community Response team was developed to support shielding residents. 'Buddies' were enlisted to support elderly and vulnerable people with their shopping and medical supplies, as well as providing much needed social interaction for those confined to their homes and it was clear that a huge debt of gratitude was owed to everyone concerned.

Members were also advised of the hard work done to protect communities since lockdown. Enforcement Officers working with local businesses across the area to ensure compliance and co-operation with the coronavirus restrictions. A huge task that was being undertaken by a group of dedicated and conscientious Officers.

Despite all this good work, the Leader felt it particularly disappointing that we were now faced with renewed restrictions due to a spike in cases within the county borough. Members were aware of the complex and varied reasons for this renewed spread, much of it linked to the behaviour of some sections of the community. A second wave seemed likely and unfortunately neighbouring areas also seemed to be moving along the same trajectory.

Members were advised that this was no time for complacency and of the need to look at the picture emerging from Europe where they initially saw increases in cases in younger people that quickly moved to become more serious in other parts of the population through community transmission and now hospital admissions were increasing and so were deaths. The measures taken by Welsh Government this week seek to prevent this being our trajectory.

The Leader emphasised that we should not apportion blame for this increase in cases but instead take collective responsibility. What was clear, was the difference we could make from this point forward and the part we all had to play to limit the spread of this deadly disease.

The Leader noted that there had been calls for us all to get back into the Council Chamber and resume normal meetings. However, the message was clear, coronavirus has not gone away and the events over the past few days have validated our approach to date. We must protect our people and place and she felt sure that Members now recognise that our current arrangements are going to be required for some time yet. The Leader asked that everyone work together as 'Team Caerphilly' to tackle this dreadful disease so that we can get these restrictions lifted in the quickest and safest way possible.

The Mayor called on Mrs Christina Harry, Chief Executive to introduce a presentation.

The Chief Executive explained that the purpose of the presentation was to provide an overview of the Council's response to the pandemic, to explain the actions taken to mitigate and manage strategic risks, outline the current and future challenges of the ongoing pandemic and to reaffirm the principle of 'Team Caerphilly - Better Together'.

By way of background, Members were advised that Gwent initially had highest infection and death rate in Wales and the Council had a very limited time for alternative service arrangements but had worked together with the primary purpose to 'protect our people and place'.

In terms of Emergency Planning it was noted that CCBC enacted its Emergency Management Plan. The main element of this being the Emergency Leadership Team. Immediately links were forged with external organisations via the Strategic Co-ordinating Group sitting under the Local Resilience Forum. Daily reports to SCG were forwarded to the Emergency Co-ordination Centre Wales (ECCW) which Reports to Welsh Government which then reports to the Cabinet Office Briefing Room (COBR). In terms of 'service' response it was noted that the majority of 500 plus services provided by the Council continued to operate, some with reduced staffing levels. Members were advised that at its peak 1064 staff were absent due to the virus. There was an immediate need for significant flexibility from staff and the response was overwhelming, staff were redeployed in other service areas, others worked from home, many supported new initiatives like the childcare hubs, business grants and buddy schemes to name but a few.

The Chief Executive called on the Corporate Director for Social Services to brief Members on the response from that directorate. Mr Street confirmed that most services continued to operate, although there were some reductions in Respite Care and Day Care. Members were advised that one of the biggest initial challenges had been the supply of personal protective equipment and he paid tribute to the efforts of procurement staff and suppliers and thanks to their hard work the Council was in a good position. The Corporate Director acknowledged the challenges faced by Care Homes and that Caerphilly had not been immune to these. The continued provision of Children's Services had been one of the most complex undertaken as all the usual forms of contact now had to be facilitated electronically. The priority continued to be the safety of the children and young people of the borough.

In relation to Housing, the Corporate Director advised Members that all WHQS works had been suspended and a revised deadline from Welsh Government had yet to be confirmed.

Housing staff had been redeployed into the 'Buddy Scheme' but assurances were given that tenants had not been abandoned. All Council tenants were contacted by Tenant Support Officers in the form of reassurance calls to make sure that they were safe and well and had what they needed.

Members were asked to note that one of the most urgent areas highlighted during the pandemic had been homelessness. Mr. Street confirmed that there had been clear direction from Welsh Government to accommodate people as a priority whilst at the same time hotel and bed & breakfast facilities had closed. This had been coupled with the Minister of Justice decision to early release some prisoners, although this had a minimal impact on Caerphilly. Emergency accommodation had been acquired in Caerphilly, Blackwood, Rhymney, Risca and Barry. The direction from Welsh Government remains firm that people should not return to the streets. Members were advised that discussion was continuing regarding funding sources to ensure that this demand could continue to be met.

Regarding the Buddy Schemes, Members were advised that immediately after lockdown the Council wrote to 76,620 households with the offer to assist people who met a strict criterion and had no alternative method of support. 1,550 residents responded requesting support and there was an overwhelming response from staff with 590 people coming forward to assist, the majority doing so in their own time and from that 'the buddy scheme' was formed. This scheme supported vulnerable residents that would otherwise have struggled and now as shielding comes to an end people were being encouraged to take over their own arrangements.

Turning to the Corporate Director for Education and Corporate Services, Mr Richard Edmunds outlined the response from his directorate, starting with Education and Child Care Hubs. Members were asked to note that the first Hubs came into being on the 24<sup>th</sup> March 2020, immediately after lockdown was announced in order to provide childcare provision for key workers. Nine mainstream Hubs were created, one of which had a specific focus on complex Assisted Learning Needs and two Hubs for vulnerable pupils. The number of pupils accessing Hubs increased to an average of 362 per day and were supported by over 1700 volunteer school staff and staff from other parts of the Council.

When schools closed alternative means were required to meet the needs of the 5,500 pupils in receipt of free school meals. While some local authorities used vouchers, Caerphilly took the approach of putting food on the plates of pupils, working in partnership with local suppliers to set up a packing and distribution centre at Penallta House, 675,000 meals have been delivered.

The scheme has grown with delivery routes for 60 vehicles to over 5000 children and the take up of free school meals had increased from 70% to 91%.

Moving on to Early Years and Distance Learning during the pandemic, the Corporate Director confirmed that staff had provided support to 400 vulnerable families with children aged 0-3. This support included a weekly individual activity plan and follow up phone call and access to a parenting programme moving online. For distance learning the Education Achievement Services provided guidance and a strategy to schools, the main tool employed was the 'Hwb' a digital learning platform. The Council also implemented the Welsh Government strategy to support digitally excluded learners. Equipment was repurposed and over 1000 devices that mirrored the chrome-book set up were delivered to pupils.

In terms of Customer Services Members noted how new digital working methods were introduced and that front of house staff had been redeployed to the contact centre. There they answered 205,000 calls and dealt with 68,000 service requests, issued 3200 Blue Badges via the telephone or online, supported 100 residents via the telephone to complete a Housing Application requests, answered 8000 emails and took 30,000 telephone payments totalling £5,142,000.00.

This new way of working saw 902 laptops configured and issued during the lock down period, along with these 389 mobile phones were also configured and issued. The Corporate Director acknowledged the fantastic work done by Procurement Services and outlined the remarkable work in securing 2,382,780 Fluid Resistant Masks, 3,000 Social Distancing Floor Signs for reopening of schools, 34,422 Bottles Hand Sanitiser, 890 Rolls Social Distancing Floor Tape for reopening of Schools, 100,000 Face Coverings, 41,900 Pairs of Gloves & 3,000 Disposable Aprons, 800 Tubs Alcohol Wipes, 1,577 Bins, 100 Thermometers and 28,000 Bags for Masks.

In concluding his section of the presentation, the Corporate Director asked Members to note the efforts made by Financial Services Staff and the work done with residents in processing the 3,500 requests that were agreed to defer Council Tax payments for residents until June 2020, with ongoing assistance or support provided. Rent relief requests from industrial tenants and Business Support Grants, payments that were made to 2,953 business to a total value of £34.2m (top quartile performance in Wales).

The Interim Corporate Director Communities, Mark S. Williams outlined the work done during the lock down by this Directorate. Members were asked to note that all waste and refuse collections had operated normally throughout. Bulky collections had been suspended but they recommenced on 5<sup>th</sup> May 2020 and although HWRC's were closed to prevent unnecessary travel they also reopened on 26<sup>th</sup> May 2020. The Corporate Director was also pleased to confirm that street cleaning although initially operating a limited service had now been fully reintroduced.

Cemeteries were now open and initial restrictions on funeral numbers had recently been increased to 30. Grass cutting was being reintroduced on phased basis and municipal and country car parks had reopened on the 30<sup>th</sup> May 2020. Turning to highways operations it was noted that inspection and emergency works have continued, as have the design of capital schemes. Work was undertaken to ensure the viability of transport providers for Education and Social Services and regulatory tasks linked to planning have also continued.

Regarding the Planning process, it was noted that delegated powers had been used to determine the least controversial matters to ensure that decisions were issued in Statutory timescales. However, the first digital Planning Committee had been held on the 17th June 2020 and has continued digitally since then.

Moving on to Sport and Leisure provision, although Leisure Centres had been closed to the public, Staff had been redeployed into the buddy scheme and Free School Meal service provision. Members were asked to note that four main leisure centres have now re-opened with "controlled" services on offer from the 1<sup>st</sup> September 2020.

Public Protection Services had proactively advised 1800 premises regarding business closures/reopening and social distancing, making over 1200 visits. Environmental Health Officers were supporting 85 care homes with infection control measures and have made over 1200 follow up contacts. The Corporate Director confirmed that most services have continued in some form throughout lock down for example; Pest Control had responded to over 2800 service requests; Enforcement have dealt with the large rise in fly tipping and have received over 874 fly tipping complaints and have responded to over 1000 complaints of noise, rubbish and accumulations of rubbish at properties.

Registrars continued to operate and registered double the normal number of deaths in the initial period of March to May. The Service is now managing a backlog of registrations within the Gwent area since re-commencing birth registration in July and has managed well over 1000 changes to ceremony booking during the period from mid-March.

In concluding the various updates, the Head of Public Protection, Mr Robert Hartshorn took Members through what has been happening in terms of Contact, Track and Tracing. It was

noted that Caerphilly had a lead role in Gwent region and is part of national track, trace and protect framework, which is led by Mr Hartshorn. Teams have been set up across the region consisting of 300 staff seconded from local government and these staff will be required for several months, as this vital service operates from 8am – 8pm, seven days a week.

The Chief Executive acknowledged the outstanding work done by each of the Directorates and advised Members that the presentation provided only an outline of the impressive work that had been and continues to be undertaken. Unfortunately, the events of the last few weeks, in relation to foreign travel and gathering indoors have resulted in a significant spike in cases of COVID19 and new lockdown measures within the county borough clearly demonstrate that the virus and its associated risks are still with us.

Working with colleagues in Welsh Government and Public Health Wales an innovative approach to informing, warning and enforcement is being considered. A mobile testing centre had been set up at Penallta House with a further centre to be established in the north of the borough. Residents will also be able to access the testing station at Rodney Parade, Newport. Assurances were given that data is being considered daily and it is likely that this local lock down will last for several weeks. The Chief Executive expressed her optimism about the public's response to the local lock down restrictions and asked Members to direct residents with questions to the Council website first and then if further advice or support is needed Members contact the relevant Corporate Director.

The key issues moving forward would focus on responding to further outbreaks, sustaining and adapting new services and considering organisational change to provide flexibility, recovery and growth. To understand and respond to the financial impact of the pandemic along with the emotional and social impact on our communities and how we can wrap our arms around those communities as we work towards recovery.

Public and Staff safety would continue to be the priority as we moved forward as one Council facing ongoing challenges together. Recession, the impact of COVID, Brexit and Climate Change remain vital parts of future planning. In concluding the presentation Mrs Harri expressed her admiration for the way everyone has worked tirelessly throughout this period and believed that we have experienced true public service from passionate public servants.

Members voiced their thanks to everyone involved in this immense undertaking and also recognised the role that Councillors had played and that this should not be underestimated. Members expressed concerns that there were some communication deficits during the lock down period and it had often been difficult to contact Officers and Departments.

The Leader assured Members that she had endeavored to keep them as up to date as possible but would be happy to discuss any areas of improvement.

A Member expressed his thanks to Cllr Cuss and the work he had done during the lock down in terms of social care and detailed his own very rewarding experience of the buddy scheme and hoped that this would continue in some form. The Member also noted the initial difficulties in terms of Business support and put on record his thanks for the efforts of Financial Services.

The Chief Executive apologised for not including the efforts of Elected Members within the presentation but as the face of the organisation theirs would be a pivotal role going forward. The Corporate Director for Social Services confirmed that as plans moved forward the Buddy Scheme was pared back and residents who were able to do so would be encouraged to return to shopping and previous routines. He was also encouraged by the observations on the scheme from those that had taken part and a lot of people echoed the comments made earlier. He advised that the 300 people had agreed through the Corporate Volunteering Scheme to continue volunteering.

The Deputy Leader praised the Corporate Business Team for the speed with which they reacted to the grant applications process which had saved many local businesses. The Member also referenced the work being done to help support Town Centre's back to recovery.

A Member thanked the Leader for her hard work during lock down and sought clarification in relation to the number of notices issued in relation to groups gathering during lock down when parks were closed. The Corporate Director for Communities confirmed that he did not have the information to hand but would forward following the meeting.

A Member expressed concerns in relation to economic resilience of the borough as a result of the pandemic particularly with furloughs coming to an end and the risks of the resurgence of infection rates and asked if any additional funding would be available. Concerns were also expressed regarding public transport and if routes suspended during lock down would be reinstated.

Assurances were given that bus routes had been protected as far as possible and regarding the financial outlook although moving at a fast pace approaches were being made to Welsh Government regarding additional funding for the recovering process the details of which would be the subject of further reports coming forward in due course.

A Member expressed his thanks to the Executive and Leader during the Pandemic and also to the NHS Staff for their amazing and inspirational work. He then queried the pressures on Environmental Health Services and if there were enough staff to meet demand. The Cabinet Member explained the pressures on staff and the vital role they were playing regarding contact, track and tracing and assurances were given that recruitment for this service was underway. Trading Standards had also been very proactive during the lock-down responding to specific complaints whilst balancing the demands of visiting supermarkets and pubs etc. It was noted that there were discussions underway with Welsh Government on additional resources. The Leader reiterated her pride in the way in which staff had reacted to these demands and referenced the connection with pubs, indoor gatherings and community transmission and the upsurge in infection numbers. The Leader of the Plaid Group commended the Free School Meals and Buddy Schemes initiatives and the extraordinary work of volunteers. Reference was made to the work done by Community Councillor Judith Pritchard in relation to raising awareness and signposting business and residents in relation to the grants available. However, he expressed concern at the lack of scrutiny during this period and the issues with telephony services and communication and sought assurances that funding was reaching front line services.

A Member thanked those that had been involved in the Contact, Track and Trace services and queried the installation of a mobile testing unit to the north of the borough and if this meant that there was a spike in this area. The Corporate Director for Communities confirmed that the pattern of cases seen in the Caerphilly Basin was now being seen in other areas and that was the reason for establishing a further mobile testing unit.

With regard to the lack for scrutiny during the lock down, the Chief Executive assured Members that delegated decision process had be initiated in order to respond to the emergency situation and to ensure timely decision making, however every decision had been made in conjunction with the Leader and Executive and all decisions had been posted. Scrutiny would recommence shortly, and Members would be kept informed at every stage. Regarding the allocation of funding the Section 151 Officer reassured Members that funding was reaching areas of need, spending was allocated against specific budget codes and was scrutinized by Welsh Government.

A further Member referred to the role that Councillors played during the crisis and the way in which they had disseminated vital information to residents, business and partners. He voiced his disappointment in communication routes during this time and urged Officers not to underestimate to part that Councillors can play through their community links. The Leader

explained that getting everyone the equipment needed to work on a remote platform had been an huge undertaking and information had been changing at such a rapid pace that it had been difficult to co-ordinate but had endeavored through weekly updates to keep everyone as informed as possible. However, she was open to any suggestions or changes in approach that could be used to improve responses and would welcome further conversation on this.

The Member felt that an identified direct liaison person would assist in the dissemination of information and provide a single point of contact for Members.

A Member applauded the Leader for her response to the latest spike in cases and asked about guidance for Care Homes and shielding for vulnerable people and if this would be reinstated during this latest outbreak. The Member was advised that Welsh Government had no plans to reinstate shielding at this time, however this might change should the number of cases continue to increase.

A Member referred the Team Caerphilly Better Together document and referenced sections contained therein on engaging and working with communities, communication with Councillors, Schools and Governing Bodies and how their points of view he felt were still not being heeded. The Chief Executive outlined the core values of the Transformation Strategy and how this massive cultural change would not be accomplished overnight. She asked Members that were experiencing any blocks to communication to advise Heads of Services and Corporate Directors of any issues.

Members then expressed concerned about the time taken to get back COVID test results and asked for clarification on timescales. The Corporate Director of Social Services confirmed that results were taking between 6/8 days which was not ideal but turn around was improving. Mr. Hartshorn assured Members that Welsh Government and Public Health Wales were aware of testing delays and had taken measures to mitigate.

The Mayor thanked the Chief Executive, Corporate Directors and Heads of Service for the presentation and for answering Members questions and the presentation was noted.

#### **4. FINANCIAL OUTLOOK**

The Cabinet Member for Finance, Performance and Customer Services introduced the report which provided Members with details of the provisional outturn position for the 2019/20 financial year, outlined the anticipated financial impact of the Covid-19 pandemic for the 2020/21 revenue budget, and provided an initial high-level assessment of the medium to longer-term financial outlook.

At its meeting on the 1<sup>st</sup> July 2020 Cabinet was presented with details of the provisional revenue budget outturn for the 2019/20 financial year. This showed an overall positive position and Cabinet endorsed recommendations in respect of the General Fund, which Council is now asked to approve. These recommendations are to maintain the General Fund balance at £10.684m, as approved by Council on the 20<sup>th</sup> February 2020; and to utilise the 2019/20 year-end surplus balance of £3.288m to fund a £575k deficit on the Communities Directorate Reserve and to transfer £2.713m into an earmarked reserve to meet potential unfunded additional costs arising from the Covid-19 pandemic.

Turning to the Coronavirus, Members had already received details this evening of the Authority's response to the pandemic and lock-down. We have refocussed, repurposed and reshaped our priorities and how we work within a very short timescale. This had inevitably led to significant additional costs and we have also experienced lost income across a range of service areas. In addition to the financial challenges of the initial response stage it is inevitable that we will continue to experience significant financial pressures arising from the pandemic for the foreseeable future.



Members were asked to note that additional costs of £5.315m had already been incurred for the period March to July 2020 in key areas such as Social Care, the provision of Personal Protective Equipment (PPE), Information Technology, the establishment of Community Hubs for childcare provision and Free School Meals. Income lost totals £1.819m for the period March to June 2020 with key areas being Leisure Centres, Tourism Venues and School Catering.

In response to the pandemic the Welsh Government initially launched a £110m Covid-19 Hardship Fund for Local Authorities to claim additional costs incurred as a direct consequence of the pandemic, with a further £22.7m subsequently being announced for Adult Social Services. In addition to the Hardship Fund, Welsh Government has also made funding of £78m available for income loss during the first quarter of the financial year.

Members were advised that whilst this initial package of Welsh Government funding was of course welcomed, there remained considerable uncertainty in respect of additional funding for the remainder of the 2020/21 financial year. However, on the 17<sup>th</sup> August 2020 there was a welcome announcement by Welsh Government of an additional £264m Covid-19 funding package which provides local authorities with the confidence to prepare their budgets for the remainder of the year. During July and early August budget monitoring reports were prepared based on financial information available for the first quarter of the financial year. It is important to stress that these reports and the associated year-end projections were prepared in advance of the £264m additional funding announcement by WG on the 17<sup>th</sup> August 2020.

Members were asked to note that the month 3 projections showed a potential year-end overspend of £4.597m and details of the most significant variations against budgets are included in the report. This is very much a worst-case scenario based on information available at the time. Finance staff are now working on preparing projections based on month 5 information. These updated projections will reflect the new WG funding announcement which will result in an improved position. The detailed Month 3 budget monitoring reports for each Directorate will be made available to Scrutiny Committees as information items. Moving forward the monitoring reports for months 5, 7 and 9 will be included on Scrutiny Committee agendas for presentation and discussion.

In terms of the financial outlook for future years it was too early to fully understand the financial impact of Covid-19 in the medium to longer-term and there was significant uncertainty around the level of funding that local authorities will receive for 2021/22 and beyond. The UK Government is currently undertaking a Comprehensive Spending Review, the details of which will be announced in the autumn. Because of this we are not likely to receive the 2021/22 Provisional Local Government Financial Settlement until December 2020. In a normal year this would be received in October. It is also likely that the Comprehensive Spending Review will focus on one financial year only and will not provide indicative budgets for future years.

Members were advised that the financial challenges that we face are unprecedented and we are entering uncharted territory. Even before the emergence of Covid-19 it was widely accepted that the Council cannot continue as it is and Members were asked to recall that an important element of responding to this was the Future Caerphilly Transformation Strategy, Team Caerphilly – Better Together that was approved by Cabinet on the 12<sup>th</sup> June 2019. The emergence of Covid-19 and the required response had accelerated the pace of change in some areas and we will now seek to build on this moving forward to ensure that we can offer cost effective, resilient services that meet the needs of our communities through these challenging times and in the medium to longer-term.

The learning that the Council has developed through its response to COVID-19 has helped reshape and expand the transformation programme. At its meeting on the 16<sup>th</sup> July, Cabinet endorsed the inclusion of ten corporate reviews within the TeamCaerphilly programme, all of

which expand on or embed further many of the positive changes implemented in response to Covid-19.

In concluding the Cabinet Member reiterated that despite the ongoing challenges faced by the Council, the financial position was well managed during 2019/20. The current pandemic is presenting significant new financial challenges for the 2020/21 financial year and beyond and this is being closely monitored. Regular budget monitoring reports will be prepared for Scrutiny Committees alongside overarching reports that will be prepared for Cabinet and Council. A separate report will also be presented to Cabinet and Council in due course providing details of an updated Medium-Term Financial Plan (MTFP).

A Member expressed concerns about the loss of income due to the enforced closure of Leisure Centres, Tourism and School Catering of nearly £2m and that on top of that, understandably there had been a reduction in Council Tax collection rates. The Member sought clarification as to how the Council could now balance its books in light of the negative impact on the annual budget. The Member was advised that the income lost for the first quarter of the financial year had been funded by a grant received from Welsh Government. The projections prepared at month 3 did not assume any further funding at that time for income loss. However, the subsequent announcement of the additional £264m Welsh Government funding now provides local authorities with the confidence they needed to manage their budgets for the remainder of the financial year. Month 5 projections are currently being prepared and these would show a more positive position than that reported for month 3.

A Member referenced Page 44, section 5.4.28 of the report and sought clarification as to whether this projection was a full year figure. The Section 151 Officer confirmed this to be the case and advised that although planned investments had been suspended due to economic impact of the pandemic alternative options were being looked at with the Council's Treasury Management Advisors. The Member then went on to query the impact on general investments and Pension Funds. The Section 151 Officer confirmed that pensions' investments were managed by the Greater Gwent Pension Fund and therefore could not comment on their investment choices.

A Member expressed concern with what he felt to be the salting away of funds within the Council's reserves and that once again this Council was being asked to maintain the General Fund balance at £10.684m. The Section 151 Officer reassured Members that the Council's prudent approach to financial management meant that it was in the best possible position to respond to future challenges and reminded them that there was no guarantee of any future funding from Welsh Government. Further reports would be presented to Policy and Resources Scrutiny Committee on Reserves in the coming months and Members would continue to be kept fully informed.

The Deputy Leader refuted the comments made and the use of the term 'salted away' which seemed to imply that funds were being inappropriately or secretly hidden away and wished to emphasise to Members that the prudent stance taken by this Council had secured its financial stability throughout this crisis and was applauded year on year by the Wales Audit Office. The Member reiterated that in his opinion a too prudent approach was being adopted particularly regarding reserve balances.

The Leader noted the comments made and expressed her thanks to the Section 151 Officer and Financial Services for their hard work and commitment and asked Members to note this prudent approach meant that projects like the Place Shaping Agenda were able to move forward, more details of which would be provided in the months ahead.

It was moved and seconded that the recommendations contained within the Officers report be approved and by voting by way of Microsoft Forms and verbal confirmation and in noting there was 1 against and 1 abstention this was agreed by the majority present.

RESOLVED that:

- (i) the report be noted;
- (ii) the General Fund balance at £10.684m be maintained as previously agreed by Council on the 20<sup>th</sup> February 2020;
- (iii) the surplus General Fund balance of £3.288m be allocated as follows:  
  
£575k to fund the current deficit on the Communities Directorate Reserve, and  
£2.713m to be transferred into an earmarked reserve to meet potential unfunded additional costs arising from the Covid-19 pandemic;
- (iv) the budget monitoring arrangements for the 2020/21 financial year as set out in paragraphs 5.5.8 and 5.5.9 of the report be noted.

The meeting closed at 7.30pm

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 17<sup>th</sup> November 2020 they were signed by the Mayor.

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MAYOR