



COUNCIL

MINUTES OF THE SPECIAL MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH ON WEDNESDAY 24TH FEBRUARY 2016 AT 5.00PM

PRESENT:

Councillor Mrs D. Price - Deputy Mayor

Councillors:

Miss L. Ackerman, M. Adams, Mrs E.M. Aldworth, Mrs K.R. Baker, J. Bevan, L. Binding, Mrs A. Blackman, D.G. Carter, C.J. Cuss, H.W. David, W. David, H.R. Davies, D.T. Davies, N. Dix, C. Elsbury, M. Evans, Mrs C. Forehead, J.E. Fussell, Mrs J. Gale, N. George, C.J. Gordon, R.W. Gough, D.T. Hardacre, D. Havard, C. Hawker, A.G. Higgs, G.J. Hughes, K. James, G. Johnston, Mrs B.A. Jones, Miss L. Jones, S. Kent, G. Kirby, A. Lewis, K. Lloyd, C.P. Mann, Mrs R. Passmore, D.V. Poole, D.W.R. Preece, M.J. Prew, J. Pritchard, J.A. Pritchard, D. Rees, K.V. Reynolds, R. Saralis, J. Simmonds, Mrs E. Stenner, J. Taylor, T.J. Williams, R. Woodyatt

Together with:-

D. Street (Director of Social Services), N. Scammell (Acting Director of Corporate Services), C. Harry (Corporate Director - Communities), L. Lane (Solicitor), L. Donovan (Acting Head of Human Resources and Organisational Development), S. Harris (Interim Head of Corporate Finance), A. Southcombe (Finance Manager - Corporate Finance), H. Morgan (Senior Committee Services Officer)

1. **WEB-CASTING FILMING AND VOTING ARRANGEMENTS**

The Director of Social Services reminded those present that the meeting was being filmed and would be made publically available in live and archive form via the Council's website. He advised that decisions would be made by show of hands.

2. **BEREAVEMENT**

The Deputy Mayor advised that the Interim Chief Executive, Chris Burns, was not present as his brother had recently passed away.

Reference was then made to the recent death of Hengoed born Graham Moore, the man who scored one of the most famous goals in Cardiff City history. At the age of 18 he netted the winner which saw Cardiff promoted to the top-flight of the English game in April 1960 when the Bluebirds beat Aston Villa 1-0 in front of 55,000 fans at Ninian Park. Graham also played for Chelsea and Manchester United before moving on to Charlton and finally Doncaster. During his career he secured 21 caps playing for Wales. Graham Moore - 7th March 1941 to 9th February 2016. Members paid tribute to his achievements.

Members and Officers stood in silence as a mark of respect and extended their condolences to the bereaved families.

3. APOLOGIES

Apologies for absence were received from Councillors H.A. Andrews, A. Angel, P.J. Bevan, D. Bolter, Mrs. P. Cook, Miss E. Forehead, L. Gardiner, Mrs P. Griffiths, M.P. James, Ms J.G. Jones, Ms P. Leonard, S. Morgan, Mrs G. Oliver, A. Rees, J.E. Roberts, Mrs M.E. Sargent, S. Skivens, Mrs J. Summers and L.G. Whittle.

4. DECLARATIONS OF INTEREST

A number of queries were raised in relation to the requirement to declare interests in the proposals detailed in the report that related to the Budget Proposals 2016/17 and Medium-Term Financial Strategy 2016/2021. Members were advised that the report is strategic and unless a Member has a prejudicial interest there was no requirement for them to declare. There were no formal declarations of prejudicial interest received.

REPORTS OF OFFICERS

Consideration was given to the following reports.

5. TREASURY MANAGEMENT ANNUAL STRATEGY, CAPITAL FINANCE PRUDENTIAL INDICATORS AND MINIMUM REVENUE PROVISION POLICY FOR 2016/17

The Interim Head of Corporate Finance advised that in accordance with legislative requirements, Welsh Government guidance and Codes of Practice, the Council is required to approve a treasury management strategy on an annual basis. He advised that the strategy sets out details of interest rate prospects in the short and longer-term, the borrowing strategy to fund the general fund and housing revenue fund capital programmes, details of the annual investment strategy, the minimum revenue provision policy and the associated prudential indicators for the three financial years 2016/17 to 2018/19.

Members were asked to note that the 2016/17 strategy remains unchanged to the one that was approved by Council in February 2015. The Policy and Resources Scrutiny Committee will continue to receive treasury management monitoring reports during the forthcoming financial year and a Members seminar will be held during the autumn facilitated by Arlingclose, the Council's treasury management advisors.

During the course of the debate, reference was made to the proposal that the Authority borrows £14.20m for the General Fund to support the 2016/17 capital programme. The Acting Director of Corporate Services advised that it is prudent to budget for the anticipated level of borrowing but that it is usual for there to be slippage in the Capital Programme so the loans would only actually be drawn down when funding is required.

It was moved and seconded that the recommendations in the report be approved. By a show of hands (and in noting that there was 1 against and 2 abstentions) this was agreed by the majority present.

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

- (i) the Annual Strategy for Treasury Management 2016/17 be approved;

- (ii) the strategy be reviewed quarterly within the Treasury Management monitoring reports presented to Policy and Resources Scrutiny Committee and any changes recommended be referred to Cabinet, in the first instance, and to Council for a decision. The Authority will also prepare a half-yearly report on Treasury Management activities;
- (iii) the Prudential Indicators for Treasury Management as outlined in appendix 5 of the report be approved;
- (iv) the Prudential Indicators for Capital Financing as outlined in appendices 6 and 7 of the report be approved;
- (v) the use of Option 2 (for supported borrowing) and Option 3 Equal Instalment Method (for unsupported borrowing) for MRP purposes for 2016/17 be approved;
- (vi) the continuation of the 2015/16 investment strategy and the lending to financial institutions and corporates in accordance with the minimum credit rating criteria disclosed within the report be approved;
- (vii) the Authority borrow £14.20m for the General Fund to support the 2016/17 capital programme;
- (viii) the Authority continues to adopt the investment grade scale as a minimum credit rating criteria as a means to assess the credit worthiness of suitable counterparties when placing investments;
- (ix) the Authority adopts the monetary and investment duration limits as set in Appendix 3 of the report.

6. BUDGET PROPOSALS 2016/17 AND MEDIUM TERM FINANCIAL STRATEGY 2016/2021

Consideration was given to the report that had been presented to Cabinet on 17th February 2016 and provided information on the proposed budget proposals for 2016/17 and the medium-term financial strategy 2016/2021.

Reference was made to the key issues outlined therein and it was noted that during the summer of 2015 the UK Government undertook a Comprehensive Spending Review and indicated that savings of between 25% and 40% may be required for non-protected areas. As a consequence of this, it was anticipated that the financial outlook for Local Government in Wales was likely to worsen and that this would be exacerbated by the likelihood of Welsh Government continuing to offer a degree of protection to the NHS.

The Spending Review outcome was not due to be announced until the 25th November 2015 and as a result, details of the WG 2016/17 Provisional Local Government Financial Settlement were not expected until the 9th December 2015. However, in light of the messages coming from the UK Government, Cabinet was presented with a report on the 14th October 2015 which included an updated MTFP covering the three-year period 2016/17 to 2018/19. This was based on a range of revised assumptions, the most significant of which was an assumed reduction in WG funding of 4.3% for 2016/17 and 2017/18 and a further reduction of 3% for 2018/19. The updated MTFP also assumed an indicative increase in Council Tax of 3.9% for each of the three years. The net result of these changes was an anticipated savings requirement of £35.2m for the three-year period.

Significant work had already been undertaken during 2015 to identify savings proposals and the report presented to Cabinet in October included details of potential savings proposals totalling £21.3m, consisting of £14.4m for 2016/17 and £6.9m for 2017/18. The savings

proposals had been subject to an impact assessment to determine whether there would be an impact on service users and/or the public. £8.7m of the 2016/17 proposals and £3m of the 2017/18 proposals were assessed as having nil impact.

At the meeting on the 14th October 2015, Cabinet endorsed the proposed package of savings for 2016/17 and agreed that those assessed as having an impact on service users and/or the public should be subject to a further period of extensive consultation prior to final budget proposals being presented to Cabinet and Special Council. Cabinet also supported the proposal to increase Council Tax by 3.9% for 2016/17 to ensure that a balanced budget could be achieved.

Details of the Comprehensive Spending Review were announced on the 25th November 2015 and the outcome was much better than anticipated. This in turn led to the ensuing cut in the 2016/17 Provisional Local Government Settlement being much less than feared. The average cut across Wales is 1.4% but this does vary by Authority due to the funding formula (the cut for Caerphilly CBC being 0.9%). Two other significant matters within the Settlement are that the Outcome Agreement Grant has now been transferred into the RSG and Local Authorities are expected to honour the schools "pledge".

Members noted the updated MTFP which reflected the 2016/17 Provisional Settlement and a further range of revised assumptions, and that the revised potential savings requirement for the three-year period 2016/17 to 2018/19 is now £24.5m instead of the £35.2m reported to Cabinet in October 2015. However, the savings requirement for the five-year period 2016/17 to 2020/21 is £36.3m. This means that all of the £21.3m savings proposals identified in the October Cabinet report will still be required and further savings proposals will need to be identified. On a positive note, the Authority now has more time to agree and deliver the savings required.

The report detailed revised savings proposals for 2016/17 totalling £11.1m. Of this total, £1.9m reflects the full-year impact of 2015/16 savings and £8.7m relates to 2016/17 savings proposals that will have no impact on service users and/or the public. The remaining proposed savings totalling £476k will have some impact on service users and/or the public and further details of these proposals were set out in the appendix 5 of the report.

It was noted that to ensure that a balanced budget is achieved for 2016/17 a Council Tax increase of 1% is proposed. This will increase the Caerphilly CBC Band D precept from £992.02 to £1,001.94 i.e. an annual increase of £9.92 or weekly increase of £0.19.

Members were reminded of the extent of the consultation that has been undertaken and of the significant financial challenges that still lie ahead. Work on future year's savings requirements continues and regular updates will be provided to Members.

Discussion ensued on the revised savings programme as detailed in paragraph 4.6.3 of the report and particular reference was made to the introduction of charges for sandwich places. It was clarified that it is proposed that a charge to the schools is introduced for this service which is currently provided free of charge. Schools may choose to make their own arrangements for setting out and clearing away sandwich places and the option for pupils to bring a packed lunch into schools would still be available.

Reference was also made to the increase in alarm charges and, in noting that this was not an item included in the report, the Member was advised that this should be raised with the Chief Housing Officer.

With regards to personnel implications, it was noted from the report that the savings proposals will result in the loss of 97 posts. 67 of these posts are currently vacant and at least 12 posts will be lost through voluntary severances or retirements. The remaining 18 posts will be dealt with through the Council's redeployment policy with a view to finding alternative suitable employment. Every effort will be made to redeploy staff but where this is not possible then

compulsory redundancy will need to be considered. For schools, and with the falling rolls of pupils and reduction in grant funding, there is a need to reduce the costs of their staffing structure. In addition the savings proposals in relation to the setting up of sandwich places in schools and the reduced staffing in Breakfast Clubs will require a reduction in paid hours.

Reference was also made to the proposals to transfer £1.6m into an earmarked reserve for dry recyclable waste and an explanation was sought as to why this was required. It was explained that reports have been presented on the contamination associated with dry recyclables and, as the contract is due for renewal in September, it is prudent to earmark reserves until these negotiations have been finalised.

It was moved and seconded that the recommendations in the report be approved. An amendment was moved and seconded that the proposals to introduce a charge for sandwich places, to withdraw funding for the Family Intervention Project and Valleys Intervention Project, for breakfast club staff reductions and the setting aside of carbon management initiatives be revisited and funded from the £1.6m to be set aside as an earmarked reserve.

The Acting Director of Corporate Services advised that the £1.8m worth of advance savings are one off and will not be available in 2017/18. The report advises that in 2017/18 the Authority is still looking at making another £7.6m of savings so the £1.8m will be carried forward and used towards that £7.6 million. There will still be £5.8 million pounds worth of savings to make (there is just £3m identified that does not impact on the public). As such, the cost in relation to waste and the carbon initiative can only be available for one year. If some of the earmarked reserves are to be used as proposed in the amendment, either a rise in council tax or alternative savings would need to be identified to produce a balanced budget.

The Corporate Director advised that the amendment put forward was not financially sound and as such could not be accepted but there was an opportunity for a further amendment to be put forward.

In view of the foregoing, and in accordance with Rules of Procedures, both the mover and seconder of the amendment agreed that it be withdrawn.

In accordance with Rule of Procedure 15.4 there was a request for a recorded vote. This was not supported.

It was moved and seconded that the recommendations in the report be approved. By show of hands (and in noting that there were 4 against and 9 abstentions) this was agreed by the majority present.

RESOLVED that for the reasons contained in the report:-

- (i) the grants passported into/out of the Financial Settlement be passed directly to those services that they relate to (paragraphs 4.2.2 and 4.2.3 of the report);
- (ii) the Outcome Agreement Grant of £1.876m transferred into the RSG continues to fund core base budgets as in previous years;
- (iii) the proposed savings for 2016/17 totalling £11.117m as set out in paragraph 4.6.3 of the report be agreed;
- (iv) the proposal to transfer £1.6m into an earmarked reserve for dry recyclable waste and the setting aside of one-off funding of £215k for carbon management initiatives as set out in paragraph 4.6.2 of the report be agreed;
- (v) the Revenue Budget proposals for 2016/17 of £324.384m as set out in the report and summarised in Appendix 4 be agreed;

- (vi) the proposed Capital Programme for the period 2016/17 to 2018/19 as set out in Appendix 6 of the report be agreed;
- (vii) the proposed use of General Fund balances as detailed in Appendix 7 of the report be agreed;
- (viii) the use of service reserves to smooth the impact of the reduction in hours in the Catering Service to avoid compulsory redundancies as set out in paragraph 7.3 of the report be agreed.

In accordance with Rule of Procedure 15.5 Councillor Mrs Blackman wished it recorded that she had voted against the motion.

Members expressed their gratitude to all staff and departments for their hard work to deliver the budget, which would provide minimal impact to the public and continues to protect staff from compulsory redundancies where possible.

7. COUNCIL TAX RESOLUTION 2016/17 AND COUNCIL TAX REDUCTION SCHEME

Consideration was given to the report which provided details of the Authority's Council Tax for the 2016/17 financial year prior to passing the necessary statutory resolutions and sought approval of the Council Tax Reduction Scheme for 2016/17.

It was moved and seconded that the recommendations in the report be approved. By show of hands (and in noting that there were 12 abstentions) this was agreed by the majority present.

RESOLVED that for the reasons contained in the report:-

1. it be noted that at its meeting on the 9th December 2015 the Cabinet calculated the following amounts for the year 2016/2017 in accordance with regulations made under Section 33(5) of The Local Government Finance Act 1992 and powers granted under The Local Authorities Executive Arrangements (Functions and Responsibilities) (Amendment) (Wales) Regulations 2007 as amended.
 - (a) **59,575.14** Being the amount calculated by the Cabinet, in accordance with Regulation 3 of The Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995, as its council tax base for the year.
 - (b) **Part of Council's Area**

	<u>Tax Base</u>
	<u>No. of D Band</u>
	<u>Equivalent Properties</u>
Aber Valley	2,005.88
Argoed	848.38
Bargoed	3,572.94
Bedwas, Trethomas & Machen	3,764.62
Blackwood	2,895.51
Caerphilly	6,121.31
Darren Valley	694.96
Draethen, Waterloo & Rudry	594.48
Gelligaer	6,200.21

	<u>Tax Base</u>
	<u>No. of D Band</u>
	<u>Equivalent Properties</u>
Llanbradach & Pwllypant	1,459.69
Maesycwmmmer	762.73
Nelson	1,589.62
New Tredegar	1,346.09
Penyrheol, Treceenydd & Energlyn	4,413.45
Rhymney	2,530.14
Risca East	2,036.27
Risca West	1,774.58
Van	1,639.02
Remainder	15,325.26
Total	59,575.14

being the amounts calculated by the cabinet, in accordance with regulation 6 of the Regulations, as the amounts of its council tax base for the year for dwellings in those parts of its area to which one or more special items relate.

2. the following amounts be now calculated by the Council for the year 2016/2017 in accordance with Sections 32 to 36 of the Local Government and Finance Act 1992:-

- (a) **£325,058,134** being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (d) and 32(3)(a) of the Act;
- (b) **£1,400,000** being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(c) of the Act;
- (c) **£323,658,134** being the amount by which the aggregate at (2)(a) above exceeds the aggregate at (2)(b) above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year;
- (d) **£263,293,016** being the aggregate of the sums which the Council estimates will be payable for the year into its council fund in respect of redistributed non domestic rates, revenue support grant, an authority's council tax reduction scheme or additional grant.
- (e) **£1,013.26** being the amount at (2)(c) above less the amount at (2)(d) above, all be divided by the amount at (1)(a) above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its council tax for the year;
- (f) **£674,402** being the aggregate amount of all special items referred to in section 34(1) of the Act.
- (g) **£1,001.94** being the amount at (2)(e) above less the result given by dividing the amount at (2)(f) above by the amount at (1)(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no special item relates.

<u>Valuation Bands</u>	A	B	C	D	E	F	G	H	I
	£	£	£	£	£	£	£	£	£
Totals For Community Council Areas									
Aber Valley	677.77	790.73	903.69	1,016.65	1,242.57	1,468.50	1,694.42	2,033.30	2,372.18
Argoed	676.63	789.40	902.17	1,014.94	1,240.48	1,466.03	1,691.57	2,029.88	2,368.19
Bargoed	678.78	791.91	905.04	1,018.17	1,244.43	1,470.69	1,696.95	2,036.34	2,375.73
Bedwas, Trethomas & Machen	679.85	793.16	906.46	1,019.77	1,246.38	1,473.00	1,699.62	2,039.54	2,379.46
Blackwood	680.63	794.07	907.50	1,020.94	1,247.81	1,474.69	1,701.57	2,041.88	2,382.19
Caerphilly	676.63	789.40	902.17	1,014.94	1,240.48	1,466.03	1,691.57	2,029.88	2,368.19
Darren Valley	679.93	793.26	906.57	1,019.90	1,246.54	1,473.19	1,699.83	2,039.80	2,379.77
Draethen, Waterloo & Rudry	681.42	794.99	908.56	1,022.13	1,249.27	1,476.41	1,703.55	2,044.26	2,384.97
Gelligaer	677.62	790.56	903.49	1,016.43	1,242.30	1,468.18	1,694.05	2,032.86	2,371.67
Llanbradach & Pwllypant	681.41	794.99	908.55	1,022.12	1,249.25	1,476.40	1,703.53	2,044.24	2,384.95
Maesycwmmmer	683.95	797.95	911.93	1,025.93	1,253.91	1,481.90	1,709.88	2,051.86	2,393.84
Nelson	679.43	792.67	905.90	1,019.14	1,245.61	1,472.09	1,698.57	2,038.28	2,377.99
New Tredegar	676.34	789.07	901.78	1,014.51	1,239.95	1,465.41	1,690.85	2,029.02	2,367.19
Penyrheol, Trecenydd & Energlyn	676.55	789.32	902.07	1,014.83	1,240.34	1,465.87	1,691.38	2,029.66	2,367.94
Rhymney	677.18	790.05	902.90	1,015.77	1,241.49	1,467.23	1,692.95	2,031.54	2,370.13
Risca East	675.96	788.62	901.28	1,013.94	1,239.26	1,464.58	1,689.90	2,027.88	2,365.86
Risca West	679.63	792.90	906.17	1,019.44	1,245.98	1,472.53	1,699.07	2,038.88	2,378.69
Van	676.27	788.99	901.69	1,014.41	1,239.83	1,465.26	1,690.68	2,028.82	2,366.96
Remainder	667.96	779.29	890.61	1,001.94	1,224.59	1,447.25	1,669.90	2,003.88	2,337.86

being the amounts given by multiplying the amounts at (2)(g) and (2)(h) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in a particular valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

3. it be noted that for the year 2016/2017 the major precepting authority has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

<u>Valuation Bands</u>	A	B	C	D	E	F	G	H	I
	£	£	£	£	£	£	£	£	£
<u>Precepting Authority</u>									
Police and Crime Commissioner for Gwent	146.71	171.16	195.61	220.06	268.96	317.86	366.77	440.12	513.47

4. having calculated the aggregate in each case of the amounts at (2)(i) and (3) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts of Council Tax for the year 2016/2017 for each of the categories of dwellings shown below:-

<u>Valuation Bands</u>	A	B	C	D	E	F	G	H	I
	£	£	£	£	£	£	£	£	£
Aber Valley	824.48	961.89	1,099.30	1,236.71	1,511.53	1,786.36	2,061.19	2,473.42	2,885.65
Argoed	823.34	960.56	1,097.78	1,235.00	1,509.44	1,783.89	2,058.34	2,470.00	2,881.66
Bargoed	825.49	963.07	1,100.65	1,238.23	1,513.39	1,788.55	2,063.72	2,476.46	2,889.20
Bedwas, Trethomas & Machen	826.56	964.32	1,102.07	1,239.83	1,515.34	1,790.86	2,066.39	2,479.66	2,892.93
Blackwood	827.34	965.23	1,103.11	1,241.00	1,516.77	1,792.55	2,068.34	2,482.00	2,895.66
Caerphilly	823.34	960.56	1,097.78	1,235.00	1,509.44	1,783.89	2,058.34	2,470.00	2,881.66
Darren Valley	826.64	964.42	1,102.18	1,239.96	1,515.50	1,791.05	2,066.60	2,479.92	2,893.24
Draethen, Waterloo & Rudry	828.13	966.15	1,104.17	1,242.19	1,518.23	1,794.27	2,070.32	2,484.38	2,898.44
Gelligaer	824.33	961.72	1,099.10	1,236.49	1,511.26	1,786.04	2,060.82	2,472.98	2,885.14
Llanbradach & Pwllypant	828.12	966.15	1,104.16	1,242.18	1,518.21	1,794.26	2,070.30	2,484.36	2,898.42
Maesycwmmwr	830.66	969.11	1,107.54	1,245.99	1,522.87	1,799.76	2,076.65	2,491.98	2,907.31
Nelson	826.14	963.83	1,101.51	1,239.20	1,514.57	1,789.95	2,065.34	2,478.40	2,891.46
New Tredegar	823.05	960.23	1,097.39	1,234.57	1,508.91	1,783.27	2,057.62	2,469.14	2,880.66
Penyrheol, Treceenydd & Energlyn	823.26	960.48	1,097.68	1,234.89	1,509.30	1,783.73	2,058.15	2,469.78	2,881.41
Rhymney	823.89	961.21	1,098.51	1,235.83	1,510.45	1,785.09	2,059.72	2,471.66	2,883.60
Risca East	822.67	959.78	1,096.89	1,234.00	1,508.22	1,782.44	2,056.67	2,468.00	2,879.33
Risca West	826.34	964.06	1,101.78	1,239.50	1,514.94	1,790.39	2,065.84	2,479.00	2,892.16
Van	822.98	960.15	1,097.30	1,234.47	1,508.79	1,783.12	2,057.45	2,468.94	2,880.43
Remainder	814.67	950.45	1,086.22	1,222.00	1,493.55	1,765.11	2,036.67	2,444.00	2,851.33

5. the current Council Tax Reduction Scheme continue for the 2016/17 financial year along with the previously agreed local discretions.

8. CITY DEAL

Consideration was given to the report which sought approval for the next stage of the development of a City Deal investment plan for the Cardiff City region (comprising the ten local authorities in South East Wales), and to allow the Council Leader to sign the undertaking with UK and Welsh Government to work towards a finalised plan for the region.

The Corporate Director Communities reminded Members of previous reports on City Deal whereby it had been agreed to participate in preparing plans for the region along with neighbouring local authorities, the UK and Welsh Governments, to support the development of a plan for the City Deal and contribute towards the cost of research and financial planning. It was noted that Council agreed to contribute £59,989 towards a £1/2m fund for this purpose (it was pointed out that there was an error in paragraph 2.2 of the report as it states £1m and not £1/2m). On the 15th October 2015 Council resolved to support the ongoing work towards a City Deal subject to further reports being presented and with Council approval needed for any long term financial commitment.

It was noted that the next stage is for the ten local authorities, the UK Government and Welsh Government to sign an agreement in principle which will outline the overall objectives of the City Deal. This is expected to take place in the next few weeks. Following this, more detailed work will be undertaken to identify potential projects, a methodology for approving and evaluating projects and for the financing of the plan. A further report will be presented once that is completed.

There are around 30 City Deals in place across the UK of various size and values and the aim of this City Deal is to support the local economy and improve the national economy at the

same time through a series of positive interventions. Over the past six months the scale of the City Deal has become clearer and it seems likely that it would involve total investment of around £1.28 million. Around half of this money would be invested in the South East Wales metro project and the remainder on a package of projects to create new jobs, training and community regeneration. The final terms of the scale of the City Deal and the relative contributions of the UK, Welsh and Local Government are still under discussion. However Welsh Government has pledged £580 million towards the metro element of the Deal and it is anticipated the UK Government will contribute a similar amount.

Local Authority's will also need to make a contribution and the value and share of these contributions will be determined throughout the year through further discussion. Any commitment from this Authority will require further approval by Council. The governance and management arrangements of the City Deal will also need to be finalised and this will be presented to Council once the Heads of Terms and general principles are agreed by the UK and Welsh Government. It was recognised that the City Deal will provide an opportunity for joint working and collaboration between Local Authority's to deliver an integrated approach to regional working. In order to take the plan forward and to develop further details costing of the proposals a small delivery team is required and each Local Authority will be asked to contribute.

Members were advised that the objectives will include the metro and other infrastructure and transport improvements, investment in training for people seeking work and upskilling for those already in work, improvements to digital infrastructure across the region and other initiatives to improve business growth for new and existing businesses. Following this more detailed work will be undertaken to identify potential projects, a methodology for approving and evaluating those projects and for financing the plan. A further report will be presented to Members once this work is completed for approval.

It was accepted that the City Deal represents the opportunity for co-ordinated investment across the region and it was suggested that the proposed Delivery Group should consult with the Business Forum and regular reports be presented providing updates on progress (and particularly on the methodology for approving and evaluating projects). An assurance was given that this would be the case and that no decision would be taken until a report has been presented to Council for consideration.

It was moved and seconded that the recommendation in the report be approved. By show of hands this was unanimously agreed.

RESOLVED that it be agreed to support the ongoing work as outlined in the report to prepare a City Deal agreement in principle for the region and that the Leader be authorised to sign an agreement with the other nine local authorities in the region, UK and Welsh Government as outlined therein.

In accordance with Rule of Procedure 15.5 Councillor Mrs A. Blackman wished it recorded that she had voted in favour of the motion.

The meeting closed at 6.50pm

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 19th April 2016 they were signed by the Mayor.

MAYOR