



## **CABINET**

### **MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, TREDOMEN ON WEDNESDAY, 15TH FEBRUARY 2017 AT 2.00 P.M.**

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#### **PRESENT**

Councillor K. V. Reynolds - Chair

#### **Councillors:**

Mrs C. Forehead (Human Resources and Governance/Business Manager), N. George (Community and Leisure Services), D.T. Hardacre (Performance and Asset Management), K. James (Regeneration, Planning and Sustainable Development), Mrs B. Jones (Corporate Services), D.V. Poole (Housing), T.J. Williams (Highways, Transportation and Engineering) and R. Woodyatt (Social Services)

#### **Together with:**

C. Burns (Interim Chief Executive), C. Harry (Corporate Director - Communities), N. Scammell (Acting Director of Corporate Services and Section 151 Officer) and D. Street (Corporate Director – Social Services).

#### **Also in Attendance:**

S. Harris (Interim Head of Corporate Finance), R. Hartshorn (Head of Public Protection), D. Whetter (Principle Engineer – Project Development Team) and C. Evans (Committee Services Officer)

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

Apologies for absence had been received from Councillor D. Havard.

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

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

#### **3. CABINET – 1ST FEBRUARY 2017**

RESOLVED that the minutes of the meeting held on 1st February 2017 (minute nos. 1 - 5) be approved and signed as a correct record.

## **MATTERS ON WHICH EXECUTIVE DECISIONS WERE REQUIRED**

### **4. CARBON REDUCTION INITIATIVES CAPITAL ALLOCATION**

The report sought Cabinet approval for capital budget allocation for carbon reduction initiatives to increase the provision of solar panels at schools and to pilot the use of electric vehicles for Council business.

It was noted that the Budget Proposals 2016/17 and Medium Term Financial Strategy 2016/2021 report, which was considered by Full Council on the 24th February 2016 recommended an allocation of £215,000 for carbon reduction initiatives. The report sought the approval of Cabinet to allocate £100,000 to install solar photo voltaic (PV) systems on 20 schools in the county borough in 2017/18, and to allocate a further £4,000 to install electric vehicle charging points at Penallta House and at Tir-Y-Berth Depot. It is proposed that electric vehicles would be trialled in Countryside and also in the Meals Direct meals on wheels service, together with the provision of an electric pool vehicle.

Discussions took place around the proposals to lease 3 electric vehicles. Members were asked to note that the one-off cost of installing 2 charging points is up to £4,000 and therefore the payback period would be just over a year. However, the project demonstrates the Authority's commitment to sustainable development and work towards the Well-being of Future Generations Act. Members requested that further information be sought on the terms of the lease, and whether a term less than 3 years would be possible. Officers agreed that further research would be conducted but assured Members that technology has developed dramatically in order to make the vehicles reliable.

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

RESOLVED that for the reasons contained in the Officer's report: -

- (i) a Revenue Contribution to Capital Outlay (RCCO) from the Miscellaneous Finance Budget to fund capital works of £100,000 to install Photo Voltaic (PV) systems of up to 4Kw on 20 schools in the Caerphilly Count Borough be agreed;
- (ii) a Revenue Contribution to Capital Outlay (RCCO) from the Miscellaneous Finance budget to fund capital works of £4,000 to install electric vehicle charging points at Penallta House and Tir-Y-Berth Depot be agreed.

### **5. SCRAP METAL DEALERS AND DOG BREEDERS LICENSING FEES 2017/18**

The report provided Cabinet with details of the review of fees for Scrap Metal Dealers and Dog Breeders licences and sought approval for a revised fee structure for 2017/18.

It was noted that the Scrap Metal Dealers Act 2013 was enacted on 1st of October 2013 and introduced a new licensing system to control site operators and itinerant collectors. Animal Welfare (Breeding of Dogs) (Wales) Regulations 2014 replaced the Breeding of Dogs Act 1973 and came into force on the 30th April 2015.

Both Acts and supporting Regulations are silent upon the issue of the responsibility for exercising the function under the Act. Consequently the provisions of Section 9 (D) of the Local Government Act 2000 are triggered and by default the function is exercised by the Executive.

Fees for Scrap Metal Dealer licences were set by Cabinet on 18th September 2013 and Dog Breeders on 25th January 2016 and have been reviewed with all other Licensing fees for 2017/18.

The report outlined that the revised fees are modest changes and would provide a small income to the overall Licensing Budget. There are currently two licensed dog breeders in the borough, therefore the slight reduction in fee is negligible. There is an increase in income from the proposed Scrap Metal fees, which would be apportioned across a 3 year terms of the licence. However, Members noted that, as a result of the value of scrap metal dropping, there could be a reduction in the number of renewal applications for collectors.

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 fee structure, as set out in paragraphs 4.4 and 4.5 be approved for implementation from 1st April 2017.

**6. "BUSINESS ENTERPRISE & INNOVATION" PROJECT – REGIONAL APPLICATION FOR EU STRUCTURAL & INVESTMENT FUNDS EFDF PRIORITY 4 OBJECTIVE 4**

The report sought the approval of Cabinet for the Council to engage in a collaborative regional project that seeks grant funding under the European Regional Development Fund (ERDF) Priority 4, Strategic Objective 4 for the expansion of the Lawns Industrial Estate, Rhymney.

In September 2016, following a meeting of the South East Wales Directors of Environment and Regeneration (SEWDER), the Council was requested to work with five neighbouring Authorities to develop a regional project proposal for European Regional Development Fund (ERDF) Priority 4 funding. The project aims to unlock the development of business sites and premises to support economic growth and urban development.

Cabinet noted that with an estimated overall project budget of £12m, the ERDF funding available for the regional undertaking is expected to be circa £8m. The indicative budget allocation for each local authority project proposal is £2m (based on £1.3m ERDF grant and £0.7m match funding). The first stage of the ERDF bid process has been completed, with the submission of an initial Expression of Interest and the "Operation Logic Table" (OLT) by the regional partners to the Welsh European Funding Office (WEFO) in September 2016. If approved, the regional project will be invited by WEFO to progress to detailed Business Planning stage in 2017. An initial scoping and prioritisation exercise has been carried out to establish the sustainability of sites for inclusion in the regional project.

Based on the potential of the site to meet critical deliverability timescales and contribute to the relevant ERDF and other key strategic priorities it is considered that the most appropriate site within the County Borough to take forward is the Lawns Industrial Estate, Rhymney.

Cabinet thanked the Officer for the report and were pleased to note that there has been a demand for units in the North of the Borough, however raised concerns around the timescales provided within the report. Officers assured Members that, whilst there are rigorous processes to be followed, every effort, where possible, will be made to ensure this project can be taken forward as soon as possible.

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

RESOLVED that for the reasons contained in the Officer's report: -

- (i) the Council's participation in the regional collaborative project "Business Enterprise & Innovation" be agreed;
- (ii) the selection of the Lawns Industrial Estate Expansion as the preferred project within the regional submission be agreed;
- (iii) a project development budget of £50k be established to allow the detailed project proposals to be progressed to the required standard by WEFO through the 12 month mobilisation stage to secure £1.3m ERDF funding;
- (iv) the project development budget be funded through the transfer of £50k of the anticipated 2016/17 revenue underspend for the Communities Directorate into an earmarked reserve.

## **RECOMMENDATION TO COUNCIL**

### **7. BUDGET PROPOSALS 2017/18 AND MEDIUM-TERM FINANCIAL STRATEGY 2017/2022**

The report sought the endorsement of Cabinet for the 2017/18 budget proposals, prior to final determination at Council on 22 February 2017.

Cabinet noted that the Welsh Government (WG) Provisional 2017/18 Local Government Financial Settlement was published on the 19th October 2016, which provided a 0.3% reduction in funding for Caerphilly CBC (a cash decrease of £608k).

Details of draft 2017/18 budget proposals were subsequently presented to Cabinet on the 30th November 2016, the key elements of which were a proposed increase of 1% in Council Tax and a package of proposed savings totalling £8.653m.

The Final 2017/18 Financial Settlement was announced on the 21st December 2016, which provided a confirmed increase in WG funding for Caerphilly CBC of £326k (0.12%). This represents an increase of £934k on the cash reduction of £608k in the Provisional Financial Settlement. The main reasons for the increase from the Provisional Settlement are a change in the Council Tax Base, and additional funding of £283k in the Final Settlement for new responsibilities in relation to homelessness prevention.

Cabinet were asked to note that, whilst the Final Settlement results in a cash increase for Caerphilly CBC, after adjusting for new responsibilities and grants transferred into and out of the settlement, the net position is an effective cash reduction when comparing on a like-for-like basis.

The net impact of the changes from the Provisional to Final Settlement is an improvement of £479k as outlined in paragraph 4.1.5 of the report. However, there are a number of emerging issues that require consideration in determining the Final 2017/18 Budget Proposals. These will need to be funded from the £479k headroom in the Final Settlement along with further savings of £393k, which will be in addition to the savings of £8.653m identified in the 2017/18 Draft Budget Proposals.

To ensure that a balanced budget is achieved for 2017/18, a Council Tax increase of 1% is proposed. This will increase the Caerphilly CBC Band D precept from £1,001.94 to £1,011.96 resulting in an annual increase of £10.02 or weekly increase of £0.19.

Cabinet noted that significant financial challenges still lie ahead and Appendix 4 of the report provided details of an updated Medium-Term Financial Plan, which provided a potential savings requirement of £37.835m for the period 2017/18 to 2021/22.

Members were assured that detailed work would be undertaken by Officers during the coming months to review previously considered savings proposals, that have not yet been implemented, and identify new savings proposals for consideration.

Members discussed the report at length and the Chief Executive drew attention to a reference in the Minutes of the Special Education for Life Scrutiny Committee on 15 December 2016, in which the Committee endorsed the report, subject to there being no compulsory redundancies. Officers highlighted that, whilst every effort will be made to prevent compulsory redundancies, through vacancy management and the implementation of the nil impact savings, guarantees cannot be made at this stage, however, there are no indications at this stage that compulsory redundancies would be an issue. In addition, Cabinet were asked to note that schools also have budget pressures and this could impact on staffing levels though again redundancies are avoided wherever possible.

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

RESOLVED that for the reasons contained in the Officer's report it be recommended to Council that: -

- (i) the grants passported into/out of the Financial Settlement and the funding for new responsibilities be passed directly to those services that they relate to (paragraphs 4.2.2, 4.2.3 and 4.2.4 of the report refer);
- (ii) the proposed savings for 2017/18 totalling £9.046m as set out in paragraph 4.3.1 of the report be agreed;
- (iii) the Revenue Budget proposals for 2017/18 of £325.431m as set out in the report and summarised in Appendix 1 be agreed;
- (iv) the proposed Capital Programme for the period 2017/18 to 2019/20 as set out in Appendix 2 of the report be agreed;
- (v) the proposed used of General Fund Balances as detailed in Appendix 3 of the report be agreed;
- (vi) the updated Medium Term Financial Plan detailed in Appendix 4 of the report and the indicative savings requirement of £37.835m for the five-year period 2017/18 to 2021/22 be noted.

The meeting closed at 2.18 p.m.

Approved and signed as a correct record subject to any corrections made at the meeting held on 1st March 2017.

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CHAIR