



CABINET

MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, TREDOMEN ON WEDNESDAY, 12TH JUNE 2019 AT 10.30 A.M.

PRESENT:

Councillor D. Poole - Chair

Councillors:

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

Together with:

C. Harrhy (Interim Chief Executive), R. Edmunds (Corporate Director – Education and Corporate Services), D. Street (Corporate Director - Social Services) and M.S. Williams (Interim Corporate Director - Communities).

Also in Attendance:

S. Couzens (Chief Housing Officer), S. Harris (Interim Head of Business Improvement Services), S. Isaacs (Rents Manager), L. Lucas (Head of Customer and Digital Services) and C. Evans (Committee Services Officer).

1. APOLOGIES FOR ABSENCE

There were no apologies for absence received.

2. DECLARATIONS OF INTEREST

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

3. CABINET – 29TH MAY 2019

RESOLVED that the minutes of the meeting held on 29th May 2019 were approved as a correct record.

MATTERS ON WHICH EXECUTIVE DECISIONS WERE REQUIRED

4. UNIVERSAL CREDIT – HOUSING UPDATE

The report, which was presented to Caerphilly Homes Task Group on 16th May 2019 and Housing and Regeneration Scrutiny Committee on 11th June 2019 sought the agreement of Cabinet to receive regular updates in the roll out of Universal Credit (UC) and its impacts, ratify the approach being taken to manage the roll out of UC and the support being offered to tenants of Caerphilly Homes.

The report outlined the impact of UC on both Council tenants and Caerphilly County Borough Council and explained how the roll out of UC operates and the issues this creates, resulting in an increase in rent arrears. The levels of rent arrears are significantly higher than that of tenants not in receipt of UC and it is quite clear that many tenants struggle with the complexity of UC and are at risk of not receiving their full benefit entitlement.

In recognition of the issues being experienced as a consequence of the roll out of UC, the report also explained the additional resource implications for Caerphilly Homes in delivering the extensive support mechanisms that are considered necessary for tenants to sustain tenancies, maximise incomes, improve living conditions and also maintain rental income.

In addition, Officers outlined that the Housing and Regeneration Scrutiny Committee were in full support of the report and the work undertaken by staff to support tenants.

Cabinet thanked the Officers for the report and discussion ensued.

A Member, in noting the impacts of UC on tenants, queried what feedback is being provided at a National level and whether anything is being done to support Local Authorities. Officers explained that Welsh Government (WG) are currently undertaking a year long study to consider the impacts of UC on tenants. As a result the Authority is providing data such as rent arrear figures for those in receipt of UC and non-UC; support mechanisms in place and conducting interviews with Citizens Advice Bureau (CAB); the feedback for which will be collated and reported next year. In addition, it was suggested that foodbank use data also be included.

Discussions took place around levels of tenants in receipt of UC across the borough and it was noted that there are more tenants in receipt of UC in the Upper Rhymney and Members sought information on projects or programmes in place to offer support and opportunities for job creation. It was noted that there is a priority to close the gap between the North and South of the Borough and a number of strategic works, such as the Heads of the Valley Master Plan and collaborative works with Blaenau Gwent and Torfaen around the A465 Corridor underpin a great deal of projects which will help to improve prospects within the area.

A Member sought further information on the impact UC has had on private landlords, with particular reference to those with smaller property portfolios. Officers explained that, whilst there has been an increase in arrears as a result of UC, there has been an increase in the number of private landlords working with the Authority, mostly to help tackle issues around homelessness, but there has not been reduction to date on number of participating private landlords, as a result of UC.

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) it be agreed for a regular update to take place on the roll out of Universal Credit and its impact;
- ii) the approach being taken to manage the roll out of Universal Credit and the support being offered to tenants be ratified.

5. PROVISIONAL OUTTURN FOR 2018/19

The report provided Cabinet with details of the provisional outturn for the 2018/19 financial year.

It was noted that Appendix A to the report summarises the provisional revenue outturn position, which is a net underspend of £13.147m, this includes an overspend of £550k for schools and an underspend of £5.461m on the Housing Revenue Account, which will be carried forward into 2019/20 financial year to support the WHQS Programme.

During the year Officers have continued to be mindful of the continuing programme of austerity and expenditure has been curtailed in a number of areas to support the Medium-Term Financial Plan. 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. Details of the more significant variations against budget were provided within the report, for each Directorate.

Appendix B to the report shows the movements on the General Fund balance from the 1st April 2018 to the 31st March 2019 along with current agreed commitments for 2019/20. The forecast General Fund balance as reported to Council on the 21st February 2018 was £11.660m. The updated position is a projected balance of £14.040m and the table in paragraph 5.4 of the report provided details of this increase of £2.380m.

In terms of capital expenditure total spend on the WHQS Capital Programme for 2018/19 was £51.9m, which is the highest level of expenditure since the WHQS Programme began.

The General Fund Capital Programme for 2018/19 resulted in total funding available of £64.2m including all in-year grant allocations and Section 106 monies. An amount of £37.6m remained unspent at financial year-end, the majority of which represents slippage that has been carried forward into the 2019/20 financial year.

Cabinet thanked the Officer for the report and discussion ensued.

Discussions took place around the recommendation to Council that the General Fund balance should be maintained at £11.660m, as previously agreed by Council on the 21st February 2019, with particular reference to Wales Audit Office concerns within other local authorities in which reserves are being used to maintain services. It was noted that the Section 151 Officer normally recommends a minimum General Fund balance of £10m, which is circa 3% of the net revenue budget. However, anticipated savings of £44m would be required for the four-year period 2020/21 to 2023/24, and it is inevitable that some very difficult decisions will need to be made.

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 provisional 2018/19 outturn position be noted;

- ii) a recommendation to Council be supported that the General Fund balance should be maintained at £11.660m as previously agreed by Council on 21st February 2019;
- iii) a recommendation to Council be supported that the increase in the General Fund balance of £2.380m over the previously anticipated level should be transferred to Capital Earmarked Reserves, pending a report that will be presented during the autumn in respect of unallocated capital reserves and proposals for investments in a number in a number of key strategic projects;
- iv) the proposals be agreed as set out in paragraphs 5.28 and 5.29 that the remaining balance of £192k on the Intensive Fostering Support Services (IFSS) pilot scheme reserve in Social Services be utilised as follows: -
 - £91k to fund 2 additional fixed-term Social Workers for 12 months to address a backlog in case reviews
 - £72k to fund backfill for staff undertaking Advanced Mental Health Professional (AMHP) Training
 - £29k to top up the Social Services Invest to Save specific reserve.

6. **FUTURE CAERPHILLY TRANSFORMTION STRATEGY - #TEAMCAERPHILLY – BETTER TOGETHER**

The report, which was considered by the Policy and Resources Scrutiny Committee on 28th May 2019, and the video advised Members that the Transformation Strategy provides details of a new whole-authority operating model for the Council that examines how services are prioritised, how they can become more business efficient, explore opportunities for greater customer focus and digital delivery, considers alternative delivery models and opportunities to take a more commercial approach to service delivery.

Cabinet noted that the current organisational operating model is described as “traditional” and has served the Authority well to date. However, there is a requirement to inject transformation in order to be fit for purpose for the next decade and beyond. In response to this, the Authority is embarking on a major transformation programme which is being launched as *#TeamCaerphilly – Better Together*. The ambitious programme of change articulates the combined vision of the Cabinet and the Corporate Leadership Team and has been developed over the last 12 months. In making this Strategy a reality, courageous political and officer leadership will be essential to ensure successful delivery of the outcomes the Authority aims to achieve.

The transformation programme is multi-faceted and at its core will be the new mantra of Social Heart and Commercial Head. This recognises a commitment to public service and the needs of citizens, but also demonstrates a commitment to explore new ways of working to generate income to reinvest in services to help them remain resilient in the current challenging financial climate. Some of the key areas of focus include prioritising services to meet the needs of residents; considering how to become more business efficient through innovation and a structured approach to service reviews; exploring opportunities for greater collaboration; improved customer focus; Greater emphasis on digital services and Seeking more commercial opportunities.

The Transformation Strategy was presented to the Policy & Resources Scrutiny Committee on the 28th May 2019 and the recommendations in the covering report were endorsed by the majority present with one voting against. The Scrutiny Committee also endorsed an additional recommendation for a six-monthly progress report to be brought to the Scrutiny Committee prior to consideration by Cabinet.

Cabinet thanked the Officer for the report and Video and discussion ensued.

Discussions took place around the Transformation Strategy and encouraging staff to be innovative and whether there could be conflicts as a result. Officers explained that there needs to be more around the process and checks and balances in place to ensure a corporate approach.

Cabinet discussed the provision of a new Children's Centre, and it was noted that, whilst no formal decision has been made, there will be further reports to Cabinet to outline a holistic and collaborative project with Trinity Fields.

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 and subject to an additional recommendation (v):

- i) the content of the Strategy and Strategic Plan as appended to the report be agreed;
- ii) £425k be set aside to fund three fixed-term posts for an initial 2 years to provide the additional capacity required to support the delivery of the strategy;
- iii) £425k for the proposed three fixed-term posts be funded from the £1.8m earmarked reserve approved by Council on 31st July 2018, which was established to provide funding for one-off costs associated with delivering savings to support the Medium Term Financial Plan;
- iv) that six-monthly progress reports on the Transformation Strategy be brought to the Policy and Resources Scrutiny Committee ahead of consideration by Cabinet;
- v) *that specific decisions regarding the various elements of the Programme be presented to Cabinet for consideration thereafter.*

7. CUSTOMER AND DIGITAL STRATEGY AND STRATEGIC ACTION PLAN

The report, which was presented to Policy and Resources Scrutiny Committee on 28th May 2019, outlined and sought endorsement of the draft Customer and Digital Strategy and associated Strategic Action Plan for Caerphilly CBC.

By way of an interactive digital interface that will be made available on the Council's website and will be continually updated, Cabinet were referred to the key sections of the Strategy as appended to the report. Members were advised that the Strategy sets out a proposed vision for "Investing in our Future by Opening the Digital Front Door". The Strategy includes a number of guiding principles and a narrative for #DigitalCaerphilly, including connectivity with customers and staff via this "Digital Front Door", helping and supporting business by driving innovative solutions, will embrace the wider Welsh agenda by adhering to digital principles and development of digital service standards, and will connect internally with a digital culture to promote and support the use of modern day technology. The Action Plan attached to the Strategy sets out a forward work plan and activities to deliver on the Key Objectives of the Strategy, and the Strategy will set the scene for future direction of travel for the service and the Council.

Cabinet noted that the Strategy will put the customer at the heart of service delivery, whilst also continuing to support traditional customer service and a personal approach. Officers emphasised that the Strategy will not take away existing customer services but rather is intended to enhance these services. It was noted that it is important for the Council to retain its ability to direct its own resources to the successful delivery of this strategy, and whilst this by no means closes the door on future collaborations of ICT and digital provision, will allow the Council to focus on the tasks at hand at a key time in its transformation journey. It was noted that whilst Cabinet has approved the setting aside of £600k to fund some of their initial investments to support the strategy, it is anticipated that further investment will be required moving forward and will be subject to further Cabinet reports as matters progress.

Cabinet thanked the Officer for the report and demonstration and discussion ensued.

A Member sought assurances that services will be available for those residents not digitally minded. Officers explained that there are no current plans to close down or take away any services currently being delivered by Customer Services. There will be additional support for people using services to assist them to self serve in the future, and the digital programme aims to enhance current services, providing online services to those wishing to access services digitally.

Discussions took place around the digital platform and Members sought assurances that the platform would be kept up to date. Officers explained that the implementation of more digital services will ultimately mean that staff have more capacity to update and maintain the online services. In respect of changes to staff and contact details on the platform, it was noted that these can be updated within 24 hours, provided information is provided in a timely manner.

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 the Customer and Digital Strategy and Strategic Action Plan, as appended to the report be endorsed.

8. PRINCIPLES ON IMPLEMENTATION OF MICROSOFT O365

The report, which was presented to Policy and Resources Scrutiny Committee on 28th May 2019 outlined the principles on implementation of the Office 365 (O365) solution for Caerphilly County Borough Council.

It was noted that, in line with the Council's Customer and Digital Strategy, the Authority has been investigating the implementation of the latest version of the Microsoft Office 365 (O365) suite of tools. These tools offer an extended suite of productivity and collaboration tools over the current Microsoft Office suite, and will assist with everyday barriers and challenges that officials have in working effectively, efficiently and collaboratively in the current systems environment. The new product range will support the proposed Customer and Digital Strategy and the wider transformation strategy, and will be Cloud-based to maximise storage opportunities.

Cabinet were asked to consider the financial implications as set out in the report, and it was explained that whilst these costs appear significant, there is no option to continue with the current Microsoft offering and pricing model. The licenses are currently funded from the PC replacement fund and based on equal migration of the workforce to O365 over the next 18 months, the costs will increase by £13.58k in 2019/20 with a further increase of £172.5k in 2020/21. Other licenses and providers are available but the license cost and cost of change would be both significant and limiting. At the end of this Microsoft agreement (2020), the Council will enter into a new agreement which will fix the unit costs for the following three years and is estimated to be £720k per annum, which is approximately 20% increase on 2020

costs. Members were asked to note that the public sector across Wales has experienced price increase of between 50%-60% on their Microsoft licensing when moving to Office 365 in recent years. The financial implications of this migration to Office 365 will be kept under close revision during the implementation process and the additional funding required will be factored into the budget setting process for the 2020/21 and 2021/22 financial years.

Cabinet thanked the Officer for the report and discussion ensued.

In support of the developments, a Cabinet Member queried whether all other platforms had been considered. Officers explained that a number of alternative options have been considered, however there are significant costs associated with change, including training costs, and could result in difficulties in terms of collaboration and even isolation, as the majority of Local Authorities have now moved to Office 365.

A Member queried whether there could be any options for making savings or encouraging revenue as a result of the implementation programme. Officers explained that Office 365 utilised to its full potential, there is a possibility that it could replace 10 other applications, making savings. In addition, it was noted that as Office 365 is cloud based, there would also be savings in respect of servers and storage.

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 the Office 365 solution for Caerphilly County Borough Council, as set out in the report be implemented.

The meeting closed at 11:47 am.

Approved and signed as a correct record subject to any corrections made at the meeting held on the 26th June 2019.

CHAIR