



CABINET

MINUTES OF THE REMOTE MEETING HELD VIA MICROSOFT TEAMS ON WEDNESDAY, 17TH FEBRUARY 2021 AT 10.30 A.M.

PRESENT:

Councillor P. Marsden (Leader) - Chair

Councillors:

S. Cook (Social Care), N. George (Waste and Public Protection), C. Gordon (Corporate Services), S. Morgan (Economy and Enterprise), L. Phipps (Homes and Places), J. Ridgewell (Environment and Infrastructure), E. Stenner (Performance and Customer Services) and R. Whiting (Learning and Achievement).

Together with:

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

Also in Attendance:

S. Harris (Head of Financial Services and S151 Officer), R. Tranter (Head of Legal Services and Monitoring Officer), M. Harris (Committee Services Support Officer/ Chauffer), A. Dredge (Chief Executive's Support Officer) and C. Evans (Committee Services Officer).

RECORDING AND VOTING ARRANGEMENTS

The Leader reminded those present that the meeting was being filmed but would not be live streamed, however a recording would be available following the meeting via the Council's website – [Click Here To View](#). She advised that decisions would be made by Microsoft Forms.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from R. Edmunds (Corporate Director – Education and Corporate Services).

2. DECLARATIONS OF INTEREST

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

3. CABINET FORWARD WORK PROGRAMME – TO NOTE

Cabinet were provided with the Cabinet Forward Work Programme, which detailed the scheduled reports from 17th February 2021 to 24th March 2021. Members were reminded that the Cabinet Forward Work Programme is a working document and therefore subject to change.

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

RESOLVED that the Cabinet Forward Work Programme be noted.

4. BUDGET PROPOSALS FOR 2021/22 AND MEDIUM-TERM FINANCIAL OUTLOOK

The report sought Cabinet endorsement of the 2021/22 budget proposals prior to final determination by Council on 24th February 2021 and provided an update on the Medium-Term Financial Plan (MTFP).

Cabinet were reminded that the 3.1% uplift in the Provisional Financial Settlement along with the proposed increase in Council Tax of 3.9% will mean that there will be no requirement for any new savings to be identified to balance the budget for the 2021/22 financial year. Furthermore, the proposals in the report will also maintain service provision across the Council, fund increasing demand and service pressures in key areas such as Social Services and Education, enable new community focussed investments in areas such as Caerphilly Cares and the proposed Community Empowerment Fund, provide the capacity and resilience required to drive forward the Team Caerphilly Transformation Programme and Place Shaping Plan and address legacy issues in respect of income shortfalls in a number of service areas.

Cabinet noted that details of the 2021/22 Final Local Government Financial Settlement will not be announced until 2nd March 2021, however it is anticipated that this will not vary significantly from the position set out in the Provisional Settlement.

The Council is on a journey of recovery, improvement and transformation and the proposals set out in the report provided a sound platform to move forward with its ambitious plans.

The Cabinet Member emphasised that the Financial Settlement does not cover the financial implications of the ongoing coronavirus pandemic, both in terms of the additional costs that are being incurred and income losses. These will continue to be funded through Welsh Government Grants and the position will be kept under close review as we move into the new financial year.

Cabinet were referred to Section 5.4 of the report and Appendix 2 which provided details of the projected movement on General Fund Balances. Cabinet were asked to note that in previous year the Council Tax surplus had been channelled through the General Fund each year to support the base budget in the following financial year. In normal years, this surplus is estimated to be circa £1.050m but Council Tax collection has been adversely impacted during 2020/21 due to Covid-19. Whilst the Welsh Government has provided some funding to mitigate this it would not be prudent at this stage to assume that a Council Tax surplus will be achieved in the current year to support the budget for 2021/22. For one year only, it is therefore recommended that the £1.050m required to support the 2021/22 budget should be funded through a call on the General Fund.

Cabinet were asked to note that after also allowing for the projected take to working balances from anticipated underspends on the 2020/21 revenue budget that the projected balance for the General Fund is £11.232m. This represents 3.05% of the proposed 2021/22 Net Revenue Budget which is marginally above the minimum level of 3% that is recommended by the Section 151 Officer.

It was noted that whilst the 3.1% uplift in the Financial Settlement is welcomed, the future funding situation for Local Government is likely to be challenging due to the unprecedented fiscal impact of Covid-19 and the strain that will put on public finances for years to come.

Cabinet were referred to Section 5.7 of the report which detailed the financial outlook for the four-year period 2022/23 to 2025/26 and it was clear that significant savings will be required moving forward. The Council is well placed to deal with this challenge and the Transformation Programme will be the key driver in ensuring that financial resilience is maintained in future years.

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

Members discussed the report at length and sought further information around the Council Tax for a Band D property in Caerphilly CBC in comparison to other Local Authorities and the number of households in the Borough in Bands A to C. The Cabinet Member explained that only Pembrokeshire County Council currently has a lower rate of Band D Council Tax within Wales, meaning that all neighbouring Authorities currently charge more than Caerphilly CBC. In addition, it was noted that 76.2% of the properties within the Borough fall within Bands A to C.

Discussions took place around the Council Tax Reduction Scheme and the number of households that currently benefit. The Cabinet Member explained that there are 16,800 households in receipt of support through the Council Tax Reduction Scheme, 10,584 of which receive a 100% reduction in their Council Tax.

Cabinet discussed the implications of Covid-19 on future budget arrangements and it was reiterated that additional costs and income losses directly attributable to the pandemic will continue to be funded through Welsh Government Grants in 2021/22, albeit that the sums currently allocated by the UK Government are far less than in the current financial year. Cabinet were also reminded of the key assumptions used in the updated Medium-Term Financial Plan and the indicative savings requirement of circa £21.1m for the four-year period 2022/23 to 2025/26.

Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved. By way of electronic voting this was unanimously agreed.

RESOLVED and recommended to Council that for the reasons contained in the Officer's Report: -

- i) The revenue budget proposals for 2021/22 of £368.227m be agreed as detailed throughout the report and summarised in Appendix 1;
- ii) The proposal to appoint four fixed-term Project Managers be approved for an initial period of 2 years to support the delivery of the Council's Transformation Programme and Place Shaping Plan, with the total costs of £368k being funded from the £1.8m reserve previously approved by Council to support the delivery of the MTFP (paragraph 5.3.37);
- iii) The movements on the General Fund in Appendix 2 be noted and the proposal that for one year only £1.050m of the General Fund balance be used to support the 2021/22 budget be agreed due to there being no assumed Council Tax surplus in the 2020/21 financial year;
- iv) The proposed Capital Programme for the period 2021/22 to 2023/24 as set out in Appendix 3 be agreed;
- v) The proposal to increase Council Tax by 3.9% for the 2021/22 financial year be agreed to ensure that a balanced budget is achieved (Council Tax Band D being set at £1,230.57);
- vi) The updated MTFP be noted as set out in Appendix 4 showing an indicative potential savings requirement of £21.1m for the four-year period 2022/23 to

2025/26.

The meeting closed at 11am

Approved and signed as a correct record subject to any corrections made at the meeting held on 24th March 2021.

CHAIR