



SPECIAL COUNCIL

MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH ON MONDAY, 29TH SEPTEMBER 2014 AT 5.00 P.M.

PRESENT:

Councillor D.G. Carter - Mayor
Councillor L. Gardiner - Deputy Mayor

Councillors:

Miss L. Ackerman, Mrs E.M. Aldworth, H.A. Andrews, Mrs K.R. Baker, Mrs G. Bevan, J. Bevan, P.J. Bevan, L. Binding, Mrs A. Blackman, Mrs P. Cook, C.J. Cuss, H.W. David, W. David, H.R. Davies, D.T. Davies, R.T. Davies, K. Dawson, C. Elsbury, Mrs C. Forehead, Miss E. E. Forehead, J.E. Fussell, Mrs J. Gale, N. George, C.J. Gordon, R.W. Gough, D.M. Gray, D.T. Hardacre, D. Havard, C. Hawker, A.G. Higgs, G.J. Hughes, K. James, M.P. James, G. Johnston, Mrs B.A. Jones, G. Jones, Ms J.G. Jones, S. Kent, G. Kirby, Ms P. Leonard, A. Lewis, K. Lloyd, C.P. Mann, S. Morgan, Mrs G. Oliver, Mrs R. Passmore, D.V. Poole, D.W.R. Preece, M.J. Prew, Mrs D. Price, J. Pritchard, J.A. Pritchard, K.V. Reynolds, J.E. Roberts, R. Saralis, S. Skivens, L.G. Whittle, T.J. Williams, R. Woodyatt

Together with:-

C. Burns (Interim Chief Executive), S. Aspinall (Acting Deputy Chief Executive), N. Scammell (Acting Director of Corporate Services), G. Williams (Interim Head of Legal Services and Monitoring Officer), S. Harris (Acting Head of Corporate Finance), A. Southcombe (Finance Manager (Corporate Finance), H. Morgan (Senior Committee Services Officer)

1. APOLOGIES

Apologies for absence were received from Councillors M. Adams, A.P. Angel, D. Bolter, N. Dix, C. Durham, Mrs P. Griffiths, A. Rees, D. Rees, Mrs M.E. Sargent, Mrs E. Stenner, Mrs. J. Summers and J. Taylor.

2. INTERIM CHIEF EXECUTIVE

Members took the opportunity to welcome Chris Burns to his first meeting of Council and, in recognising the significant challenge ahead, committed to work with him going forward.

They then took the opportunity to pay tribute to the former Interim Chief Executive, Stuart Rosser, and recognised his valued advice, support, guidance and professionalism during his term of office and formally acknowledged his outstanding contribution over the past year.

3. DECLARATIONS OF INTEREST

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

REPORTS OF OFFICERS

Consideration was given to the following reports.

4. REFORMING LOCAL GOVERNMENT - WELSH GOVERNMENT RESPONSE TO "WILLIAMS COMMISSION REPORT" AND THE INVITATION FOR VOLUNTARY MERGERS

Consideration was given to the report which advised of the recently published Welsh Government response to the Williams Commission report (Commission on Public Service Governance and Delivery) and the recently issued invitation to submit expressions of interest for voluntary mergers, and provided an opportunity for Members to consider how the Council wishes to respond.

It was explained that Welsh Government has recently published two separate but parallel documents setting out its response to the Williams Commission report. One of these reports is in the form of a Cabinet white paper specifically relating to local government issues and there is an opportunity for the Council to offer comment on this by 1st October 2014. Alongside this the WLGA has recently published a related discussion paper regarding the possible creation of four combined authorities for Wales to provide regional services. In the past week WG has also published a prospectus inviting authorities to consider applying to undertake voluntary mergers two years ahead of the previously published schedule, so that the new councils would come into being in April 2018.

The Interim Chief Executive referred to the key issues that arise from the documents and in particular the proposal for Caerphilly to merge with Blaenau Gwent and Torfaen Councils. He advised that there is no robust business case for the proposed mergers (including realistic costs, benefits and funding proposals) and there is considerable uncertainty as to what might be the cost of a wholesale reorganisation, and the likely savings which might result. In noting that there is no natural community identity, reference was also made to the major differences in the way the three authorities provide some key services and the extent of the harmonisation which would be required (e.g. differential in Council Tax levels, the living wage, housing stock (Caerphilly being the only one that has retained its housing stock), both of the other authorities have adopted a Trust deliver model for the provision of leisure services, integration of school funding formulas, different IT systems).

With regards to the WLGA Discussion Paper on Combined Authorities, at their meeting on 3rd September, Cabinet Members welcomed the paper as a meaningful contribution to the broader debate on local authority mergers but felt that Council could not offer a meaningful view on the proposal at this time without more information and clarity. The prospect of a combined authority for certain services (e.g. planning and transportation) may be appropriate but the wider scale approach (particularly as an alternative to the white paper proposals) needs considerable thought and debate before a definitive view can be offered.

Reference was then made to the recently published prospectus for authorities to submit proposals for voluntary merger two years ahead of the schedule for reorganisation in 2020. Expressions of Interest have to be lodged with the Welsh Government by the 28th November 2014 and these have to give an outline of the 'vision' for the new authority, setting out ambitions for community leadership and improving services. It has to deal with capacity and accountability issues, any transition issues, opportunities for sharing services, an assessment of what support would be needed to help with the process and evidence of engagement with the public, local communities, community councils and partner organisations. In that the

document has just been released, further discussion will be required as to how this proposal should be taken forward.

During the course of the ensuing discussion, Members expressed their concerns regarding the merger proposals for Caerphilly and, as recommended by Cabinet at its meeting on 3rd September, reiterated their desire that Caerphilly CBC should remain as a stand-alone authority.

In noting the far-reaching and significant implications for the future configuration of local authorities and the way in which services are provided it was moved and seconded that the recommendations contained within the report be approved. By show of hands this was unanimously agreed.

RESOLVED that:-

- (i) for the reasons outlined in the report, the recommendation of Cabinet, as expressed in their meeting of the 3rd September 2014, that Caerphilly County Borough Council does not support the idea of a merged authority covering Caerphilly, Blaenau Gwent and Torfaen be endorsed;
- (ii) the invitation to submit bids for voluntary mergers be noted;
- (iii) the receipt of the WLGA discussion paper on options regarding regionalisation of some services be noted.

5. PROVISIONAL OUTTURN FOR 2013/14

The report, which provided details of the provisional outturn for the 2013/14 financial year prior to the annual audit by the Authority's External Auditors PricewaterhouseCoopers, was considered by Cabinet on 30th July 2014. It also sought approval for the use of General Fund Balances to meet costs of £300k in relation to remedial works arising from the closure of the A469, and £735k in respect of the remaining matched funding requirement for the £52m 21st Century School Programme. In endorsing its content Cabinet recommended its acceptance by Council.

The Acting Director to Corporate Services and Section 151 Officer, responded to a number of issues raised during the course of the debate in relation to the A469 (remedial works which will be undertaken over a two year period), the underspend on the recoupment budget (due to less out of county placements) and the underspend in Trading Standards (which has not affected statutory duties).

Members considered the report in detail and it was proposed and seconded that the recommendations from Cabinet as outlined in the report be endorsed. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the report the following recommendations from Cabinet be adopted:-

- (i) the provisional 2013/14 outturn position be noted;
- (ii) funding of £1.035m be utilised from the General Fund, to meet the requirements set out in paragraph 4.7 of the report.

6. ADJOURNMENT

At 5.40 p.m. the meeting was adjourned to give Members the opportunity to consider the revised Statement of Accounts and a summary of the changes that have been made to the Statement since it had been sent to Members. These were tabled at the meeting.

At 5.55 p.m. the meeting was reconvened.

7. FINANCIAL ACCOUNTS 2013/14

Consideration was given to the report tabled at the meeting which presented the latest version of the 2013/14 Statement of Accounts, issues that need to be resolved to conclude the audit of the accounts, details of uncorrected misstatements as reported by the Council's External Auditor (PricewaterhouseCoopers (PwC)) in their ISA 260 Report to the Audit Committee on the 10th September 2014 and a summary of the changes that have been made to the Statement since it had been sent to Members.

Mrs Scammell apologised for the lateness of the report and advised of the requirement to have the document signed off by 30th September 2014. It was noted that the delay had been due to outstanding issues and adjustments that were required before the final accounts could be presented. These issues relate to the valuation of fixed assets and are accounting entries to ensure that the fair value of assets are reflected in the accounts. They have no impact on cash balances or the financial standing of the Authority. For ease of reference, a summary of the changes that have been made to the Statement as a consequence of finalising the fixed asset valuations was tabled at the meeting.

Members were referred to the uncorrected misstatements highlighted in PwC's ISA 260 Report, as detailed in Section 4.4 of the Officers report and considered the recommendations in relation to four items raised (the adjustment to the aftercare costs of the Trehir Landfill site (the Authority's provision for both revenue and one-off costs is considered adequate to meet future and ongoing requirements), the share of the assets and liabilities and the financial results in joint operations (arrangements are ongoing - the Authority does not have access to these reserves in the short term), property valuations for all indexation movements in the year (adjustment not considered to be necessary on the grounds of materiality) and provision for non-payment of sundry debtors (adjustment not considered to be necessary on the grounds of materiality).

Members were advised that the Council cannot realistically change anything in the Financial Accounts, as any changes need Audit approval. Therefore the document is basically for information only. She advised that whilst the Auditors still had to agree the Authority's adjustments made to assets, as reported to Audit Committee, these were not cash backed adjustments and there would be no effect on General Fund balances

Following consideration and discussion, it was moved and seconded that the recommendations within the report be approved. By a show of hands (and in noting that there were four abstentions) these were agreed by the majority present.

RESOLVED that: -

- (i) arrangements set out in the report to approve the final audited 2013/14 Statement of Accounts be agreed;
- (ii) the recommendations made by the Acting Director of Corporate Services and Section 151 Officer in relation to the uncorrected misstatements as detailed in paragraph 4.4 of the report be agreed:

- (iii) the final audited 2013/14 Statement of Accounts, which was tabled at the meeting be approved.

Members expressed their appreciation and thanks to the Acting Director of Corporate Services and the Finance Team for all their hard work in the preparation of the Financial Statements 2013/14

The meeting closed at 6.10 p.m.

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 7th October 2014 they were signed by the Mayor.

MAYOR