



## **CABINET**

### **MINUTES OF THE SPECIAL MEETING HELD AT PENALLTA HOUSE, TREDOMEN ON WEDNESDAY, 17TH DECEMBER 2014 AT 2.00 PM**

---

#### **PRESENT:**

Councillor K.V. Reynolds - Leader

#### **Councillors:**

D.T. Hardacre (Performance and Asset Management), G. Jones (Deputy Leader and Cabinet Member for Housing), K. James (Regeneration, Planning and Sustainable Development), Mrs R. Passmore (Education and Lifelong Learning), D.V. Poole (Community and Leisure Services), T.J. Williams (Highways, Transportation and Engineering), R. Woodyatt (Social Services).

#### **Together with:**

C. Burns (Interim Chief Executive), Mrs S. Aspinall (Acting Deputy Chief Executive), Mrs S. Scammell (Acting Director of Corporate Services & S.151 Officer).

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

M.S. Williams (Head of Community & Leisure Services), S.M. Kauczok (Committee Services Officer).

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

Apologies for absence had been received from Councillor Mrs C. Forehead (HR and Governance/Business Manager), Councillor Mrs B. Jones (Deputy Leader and Cabinet Member for Corporate Services) and Mr D. Street (Corporate Director Social Services).

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

There were no declarations of interest.

#### **RECOMMENDATIONS TO COUNCIL**

#### **3. COLLECTION OF DRY RECYCLABLES - WASTE FRAMEWORK DIRECTIVE & WASTE (ENGLAND & WALES) REGULATIONS 2011**

The Head of Community and Leisure Services presented the report which provided an update on legislative changes which will come into effect on 1st January 2015 and the potential

impact on the recyclable collection regime employed by the Authority. Authorisation was sought to continue with existing collection arrangements until further evidence is available on which to base long term future decisions.

It was noted that since the current collection regime was introduced in October 2009 the Authority's recycling performance has continued to increase. In terms of comparison with others, WG categorises local authorities based on topography, demographics, settlements etc. Consequently Caerphilly is categorised as a "Valley Authority". For a number of years Caerphilly has been the best performing Valley Authority for recycling and has consistently been amongst the top performing recycling authorities in Wales. In 2013/14 Caerphilly was again the top performing Valley Authority and the 5th best performing Authority in Wales.

The Separate Collection requirements of the Regulations comes into force on 1st January 2015. From this date Waste Collection Authorities will be required to provide separate collections of glass, metals, plastics and paper where doing so is 'Necessary' - to ensure waste undergoes recovery operations to facilitate improved recovery (the Necessity Test) and that it is 'Technically, Environmentally and Economically Practicable' (TEEP) to do so. The important part of the new legislation is the necessity test. If separate collection would increase the quantity or quality of material collected, this would generally indicate that it meets the necessity test and change from a co-mingled to a separate collection would be necessary.

In recent weeks, Local Authorities have met via the County Surveyors Society (CSS) to discuss concerns relating to changes in the regulatory position over certain materials that have previously counted towards recycling i.e. wood and leaf sweepings. Wood has generally contributed circa 5% towards Caerphilly's recycling performance and it is likely that unless this position is addressed, the Authority's performance in 2015/16 (the 58% statutory target year) could reduce with the target not being achieved.

Officers have reviewed the evidence available to date (customer satisfaction, high level costings, performance and limited end destination comparisons), which indicates that the Authority does not need to change its collection regime at present. However, there are significant gaps in the evidence base at present i.e. at least 6 months worth of MRF regulations data, WRAP's work on the end destinations of materials and WG not having published its final guidance and this information will be crucial in making a fully informed, robust decision on future service provision.

Following consideration and discussion it was moved and seconded that the recommendations contained in the officer's report be approved subject to reports on the Authority's recycling levels being presented to Scrutiny and Cabinet on a quarterly basis in order that Members can continue to monitor the situation. By a show of hands this was unanimously agreed.

RECOMMENDED that for the reasons contained in the officer's report: -

1. The existing method of kerbside collection of dry recyclables be continued subject to further review in 2015 when additional evidence/information becomes available.
2. Officers of the Authority agree to continue to participate in the study being undertaken by the Welsh Government to gather further end destination evidence and to participate in the WG exercise to model various collection scenarios.
3. Reports on the Authority's recycling levels be presented to Scrutiny and Cabinet on a quarterly basis in order that Members can continue to monitor the situation.

**4. DECISION FOR THE AUTHORITY TO BUY OUT OF HOUSING REVENUE ACCOUNT (HRA) SUBSIDY ARRANGEMENTS**

The Acting Director Corporate Services and Section 151 Officer highlighted the key issues for Members to consider when determining whether they wished to support the recommendations to Council in respect of the Buy Out of the HRA Subsidy arrangement based on the financial savings identified.

It was noted that after lengthy negotiations Welsh Government and HM Treasury had reached an agreement that will allow the eleven Authorities in Wales with Council housing stock to exit from the Housing Revenue Account (HRA) subsidy system and become self-financing from April 2015. The negotiations were undertaken on the basis of the completion of individual voluntary agreements with the 11 landlord Authorities rather than waiting for the primary legislation to be enacted. The agreement has two parts. Firstly Authorities will be required to buy their way out of the current HRA subsidy system with a payment of a one off settlement figure to HM Treasury and secondly, Authorities will be subject to a cap on HRA borrowing.

A table setting out the estimated savings if the HRA Subsidy Buy Out is successful is included in Appendix 3 to the report. In summary, up to March 2020 it is anticipated that a revenue saving of £11.9m will be generated for the HRA. Over the 30 year period it is anticipated that a saving of £37.9m will be generated. There are also likely to be savings for the General Fund if the Buy Out is successful.

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.

RECOMMENDED that for the reasons contained in the officer's report: -

1. The report be endorsed.
2. Council consider and agree that the Authority exits the HRA Subsidy arrangements prior to 2015/16 to enable the HRA to become self-financing from April 2015.
3. Council agree to borrow this Authority's share of the total settlement value currently estimated to be £84.8 m and notes that the final figure may be higher or lower.
4. Members endorse the Officer recommendation to use option 2 to calculate the HRA share of debt after 1st April 2015.
5. Members accept that a borrowing cap will be applied to the HRA after March 2015 as detailed in Appendix 2.
6. Members agree that this Authority enters into the Voluntary Legal Agreement in relation to the Buy Out subject to the Interim Head of Legal Services approving the terms of the Agreement to ensure the Buy Out is achieved.

The meeting closed at 2.40 pm.

Approved and signed as a correct record subject to any corrections made at the meeting held on 21st January 2015.

---

CHAIR