



## **SPECIAL POLICY AND RESOURCES SCRUTINY COMMITTEE**

### **MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH ON MONDAY, 8TH DECEMBER 2014 AT 5.30 P.M.**

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PRESENT:

Councillor H.W. David - Chair  
Councillor S. Morgan - Vice Chair

Councillors:

L. Binding, C.J. Cuss, Miss E. Forehead, C. Hawker, G. Kirby, A. Lewis, C.P. Mann,  
R. Saralis, Mrs J. Summers

Cabinet Members:

Mrs B. Jones (Corporate Services), D.T. Hardacre (Performance and Asset Management)

Together with:

S. Harris (Interim Head of Corporate Finance), G. Hardacre (Head of Workforce and Organisational Development), C. Jones (Head of Performance and Property Services), D. Titley (Corporate Customer Services Manager), J. Jones (Democratic Services Manager) and R. Barrett (Committee Services Officer)

Also present:

D. Bezzina (Unison Regional Organiser), G. Enright (Unison Branch Secretary)

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

Apologies for absence were received from Councillors J.E. Fussell, D.M. Gray, Ms J.G. Jones, D. Rees and J. Taylor, together with Cabinet Members Mrs C. Forehead (HR and Governance/Business Manager) and G. Jones (Housing). An apology for absence was also received from N. Scammell (Acting Director of Corporate Services and Section 151 Officer).

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

Councillor Miss E. Forehead declared an interest in Agenda Item 7 (6-Month Progress Update of Improvement Objectives – Caerphilly Passport Programme). Details are minuted with the respective item.

### **3. CORPORATE SERVICES MEDIUM TERM FINANCIAL PLAN 2015/16 – ITEMS FOR CONSIDERATION**

The Chair introduced the evening's proceedings, which sought Members' consideration and comments on a number of reports detailing proposed savings and efficiencies within the Corporate Services Directorate, as part of the Medium Term Financial Plan (MTFP) for 2015/16.

Trade Union representatives Mr Gary Enright (Unison Branch Secretary) and Mr Dave Bezzina (Unison Regional Organiser) were welcomed to the meeting, and it was explained that they would be invited to respond to the reports presented during the course of the meeting, on behalf of the collective Trade Unions.

The Chair also welcomed Councillor Gary Johnston to the meeting, who was in attendance to speak in relation to Agenda Item 4 (Savings Proposals for 2015/16 – Customer Services).

### **4. REPORT OF THE CABINET MEMBER FOR CORPORATE SERVICES**

Councillor Mrs B. Jones, Cabinet Member for Corporate Services, presented her report, which highlighted the proposals that were due to be considered at that evening's meeting.

Reference was made to the report entitled "Draft Savings Proposals for 2015/16" with it explained that at a meeting on 29th October 2014, Cabinet gave due consideration to the comments arising from the recent round of special Scrutiny meetings to consider the savings proposals. It was explained that overall, proposals supported at these meetings have not delivered the required savings target of £12.208m.

Cabinet have also had regard to the results of the public consultation process relating to the savings proposals, together with feedback from the Viewpoint Panels meetings held in April 2014 and November 2014. Cabinet Members were in attendance at the Viewpoint Panel meetings, and were also attending the drop-in sessions being held around the county borough in relation to the budget consultation process.

The Cabinet Member explained that in regards to the savings proposals, it was the Authority's intention to reduce services wherever possible, rather than fundamentally altering services, so as to ensure the continuation of Council services within the county borough. It was anticipated that the suggested savings proposals would not have a direct impact on front-line services in 2015/16 but that the situation may change for the financial year 2016/17 and beyond.

At the meeting of 29th October 2014, Cabinet endorsed a proposal to increase Council Tax by 3.9% for the 2015/16 financial year to ensure that a balanced budget is achieved. It was stated that unlike neighbouring Local Authorities, it was anticipated that there would not be a significant change to other fees and charges.

Reference was made to the proposed closure of Pontllanfraith House and Members were asked to note that this would bring about a saving of over £700,000, without an impact to the public.

Regarding the Customer Services report and the proposal to close the Cash Desk facility within Newbridge, it was explained that this service has the lowest footfall of all the Council's Customer Service sites and that customers could be redirected to alternative payment venues (such as local post offices). Members were reminded of the potential of the Mobile Customer Service Centre which could be utilised to help bridge any resulting shortfall in Customer Service access, and were also advised of the numerous other ways in which bill payments could be made (such as via the internet or telephone).

## REPORTS OF OFFICERS

Consideration was given to the following reports.

### 5. DRAFT SAVINGS PROPOSALS 2015/16

Prior to the presentation of this item, the Chair expressed concern that the views of the other Scrutiny Committees regarding the list of draft savings proposals were not available for consideration. Officers explained that the report had been presented to Cabinet on 29th October 2014 and had subsequently been forwarded to Scrutiny Committees as part of the further period of consultation. Final 2015/16 budget proposals, including the comments of Members arising from these meetings, were due to be presented to Cabinet and Council in February 2015.

The Chair, together with other Members, explained that it was difficult to consider whether or not to support a saving without being aware of the comments made at other Scrutiny Committee meetings regarding the proposals. A query was raised as to whether consideration of this item should be deferred to a later Scrutiny meeting until this further information was received. It was determined that discussion of the Draft Savings Proposals would proceed but that this concern would be noted.

It was agreed that the draft minutes of the Scrutiny Committees meetings, containing the comments of Members regarding the Draft Savings Proposals 2015/16 would be presented at the next meeting of the Policy and Resources Scrutiny Committee on 20th January 2015.

Stephen Harris, Interim Head of Corporate Finance, presented the report, which provided details of the provisional 2015/16 Local Government Settlement, together with an updated Medium Term Financial Plan for the period 2015/16 to 2017/18. The report also presented details of proposed savings for 2015/16 totalling £12.208m and a proposal to increase Council Tax for 2015/16 by 3.9%.

The appendices to the report contained details of savings proposals for 2015/16, including the description of the service, the potential saving, the impact narrative and impact rating to service users. The list also identified the outcome of the initial consideration of each proposal at previous Scrutiny meetings, including the comments of Members.

The report was originally considered by Cabinet on 29th October 2014, who having given due regard to comments detailed against the proposals, endorsed the recommendations contained within the report. As part of the further period of consultation, the Policy and Resources Scrutiny Committee were asked to consider and comment upon the proposals in Appendix 2 of the report (Whole Authority Costs) and Appendix 6 of the report (Corporate Services).

Unison representatives Mr Gary Enright and Mr Dave Bezzina were then invited by the Chair to respond to the list of savings proposals, on behalf of the collective Trade Unions.

Mr Bezzina referenced the reduction in the Local Government Budget Settlement across Wales and advised Members of the resulting impact on council services and staff across neighbouring local authorities, citing examples relating to reductions in hours and the outsourcing of council services.

In regards to Caerphilly Council, Mr Bezzina acknowledged that there were a number of significant challenges that lay ahead as a result of the budget cuts but reiterated the importance of ensuring that CCBC employees felt valued and were rewarded with a fair wage. He referenced the good working relationship between CCBC and its staff and called for a reduction in the use of agency and consultancy workers. Mr Bezzina also acknowledged that the proposal to increase Council Tax by 3.9% for 2015/16 was a sensitive issue but that this provided a valuable source of funding to local communities.

Reference was made to the Authority's decision to maintain General Fund reserves at circa £10m, equating to 3% of the net revenue budget, with Mr Bezzina calling for this decision to be examined by the Authority.

Reference was made to Unison's Ethical Charter which outlined UNISON's vision for local government and highlighted the Union's 'Top 10 Asks' for local councils, a copy of which would be forwarded to Members. Mr Bezzina also spoke of the Williams Report and the challenges that lay ahead in the merging and collaboration of local authorities.

The Chair thanked Mr Bezzina for his presentation and then invited Mr Gary Enright to make his representations.

Mr Enright voiced concern that there was insufficient detail listed against the savings proposals contained within the appendices to the report. The Trade Unions had a number of concerns regarding the effect of these proposals on Council resources, and Mr Enright called for this impact to be examined more thoroughly within a number of service areas. There were concerns that savings proposals were mainly centred around non-statutory Council services and Mr Enright reiterated the need for potential savings to be examined across all Council services.

Mr Enright reminded Members of alternative savings and efficiencies suggested by the Trade Unions at previous meetings, including reviewing the procurement and use of consultants, the earmarking of financial reserves and a review of the Authority's recycling arrangements. He advised Members that Council Officers were currently collating information relating to consultancy costs, in response to a Freedom of Information request submitted by Unison.

Members were reminded that the views of the Trade Unions regarding proposals to reduce the HMRC Mileage Rate had been expressed at previous special Scrutiny meetings. Mr Enright then referenced a number of savings proposals listed throughout the report appendices, and reiterated his concern that overall there was not enough data or detail to facilitate a thorough analysis of the savings proposals.

Mr Enright was thanked for his presentation and detailed discussion of the report ensued, with the Chair commenting on the possibility of requesting a report on the Council's use of consultants.

Concerns were reiterated by Members regarding the level of information detailed against the savings proposals. Particular reference was made to Appendix 5 of the report, which contained a savings proposal to remove the Area Forum Budget within the Directorate of the Environment. Members raised a query regarding the impact this proposal could have on local community schemes, such as Splash Pads, and the feasibility of this proposal being reassessed when presented to Cabinet for consideration, and it was advised that this was a matter that related to the Regeneration and Environment Scrutiny Committee. Members commented on the need for this information to be included within the proposals and requested that their concern be noted.

Reference was made to a savings proposal within Appendix 4 of the report (to reduce 3 social workers per Social Services division), with the intention that this would be achieved through vacancy management. Clarification was sought on the service user impact rating which was displayed as 'High Impact' and Officers explained that the impact rating had subsequently been reassessed and reduced to 'Low Impact'.

Further information was also sought on the proposal to withdraw the "additional help for pensioners with their Council Tax funding". Officers confirmed that a survey on this funding had been carried out across Welsh Local Authorities, which revealed that the majority of Councils had already withdrawn the funding or were considering withdrawal for 2015/16.

Clarification was sought on a proposal within Appendix 2 to reduce assistance to the voluntary sector by £30,000, which equated to 11% of the total grants funding budget and Officers confirmed that this would be administered through the Grants to the Voluntary Sector Panel.

Reference was made to consultation with the Trade Unions relating to the savings proposals and Members suggested that it would be useful to receive the Trade Unions' response prior to the meetings. The Chair endorsed this view and welcomed the involvement of the Trade Unions as a means of successful consultation.

Members also emphasised the view that both statutory and discretionary services needed to be examined in order to identify savings proposals across all areas. Officers explained that the budget strategy had been agreed by Council in February 2014 which contained two main strands: further savings proposals of up to 3% efficiency savings, and a review of discretionary services. Since the announcement of the worsening financial outlook in June 2014, a significant amount of work had been undertaken to identify further savings proposals across all Council services.

Discussion also took place regarding the use of reserves, and arising from this, a report detailing future information regarding reserves was requested for presentation at a future Policy and Resources Scrutiny Committee. A report was also requested detailing the procurement, use and cost of consultants within the Authority.

The Committee noted the contents of the report and requested that their comments be reflected in the minutes of the meeting and presented at the next meeting of the Policy and Resources Scrutiny Committee meeting on 20th January 2015, together with comments arising from the other Scrutiny Committees meetings where the report had been considered. It was also requested that these comments be included in the final 2015/16 budget proposals that were due to be presented to Cabinet and Council in February 2015.

## **6. SAVINGS PROPOSALS FOR 2015/16 – CUSTOMER SERVICES**

David Titley, Corporate Customer Services Manager, presented the report, which advised Members of proposed service changes within Customer Services that are required to achieve budget savings and sought Members' views on these proposals and endorsement of the new arrangements.

Members were advised that as part of the MTFP, a budget saving of £250,000 has been proposed for the Customer Services budget. To allow sufficient time for these proposals to be implemented, £125,000 of the saving will be delivered in 2015/16, with the balance being realised in 2016/17.

The report detailed how these savings would be achieved, which consisted of non-staffing costs of £89,348 and staffing costs of £160,652. Of the non-staff costs, savings of £50,348 would be achieved by the relocation of the Blackwood Customer Service Centre to Blackwood Library, together with other non-staff costs totalling £39,000. With regards to staff costs, £30,000 would be saved by reducing the Agency Staff budget and vacancy management savings of £45,597 would be achieved through the deletion of two vacant full-time Customer Service Advisor posts.

The remainder of the savings would be achieved by reducing the salaries budget by £85,055, equating to 3.7 FTE (full-time equivalent) posts. In total, the proposals would reduce the staff establishment by 5.7 FTE posts (including the deletion of the two FTE vacant posts). Members had previously indicated that they wished to retain the present network of Customer Service Centres. However, it was not feasible to maintain current levels of service with this reduction in staffing, and therefore changes would have to be made in the provision of Customer Services, including opening hours and customer service performance targets, to accommodate this reduction.

The report detailed proposals to reduce the current waiting time performance target for Customer Service Centres (from 80% of customers being seen within 10 minutes down to 80% of customers being seen within 15 minutes) There would also be a need to reduce performance targets within the Customer Contact Centres (from 80% of telephone calls being answered within 20 seconds down to 70% of calls being answered within 20 seconds). Both revised targets would still compare favourably with other similar services in the public sector.

Appendix 1 to the report contained a full list of proposed changes to the opening hours of Customer Services Centres. The proposals would result in a decrease to site opening hours, with some of the sites closing on some afternoons. The report also proposed the withdrawal of the Cash Desk payments service located within Newbridge Library, owing to a lack of footfall, and outlined a number of alternative ways in which local residents could make payments to the Council.

Mr Titley was thanked for his report and Councillor Gary Johnston, Newbridge Ward Member, was invited to address the Scrutiny Committee in respect of the proposals.

Councillor Johnston referenced the recent regeneration works to Newbridge Town Centre and the detrimental effect this had had on local businesses whilst these were being carried out. He raised concerns regarding the impact of the proposed closure of the Newbridge Cash Desk service and referenced other Council services withdrawn from the town centre in recent years, such as the closure of the public toilet facilities and the old Newbridge Cash Office site.

Councillor Johnston referred to the alternative payment methods listed within the report and stated that residents often found it easier to walk to the centre to make payments at the Cash Desk in person, rather than making a telephone payment. In addition, he advised Members that the service was popular with many elderly residents, who often combined their trips to the Cash Desk with a visit to the Library within the same building. He appealed to the Committee to reconsider the proposals and examine other alternatives to closing the Newbridge Cash Desk service.

Councillor Johnston was thanked for his presentation and discussion of the proposals ensued. Other Members voiced support for Councillor Johnston's views and indicated that they wished to propose an amendment to the opening hours across all Customer Service Sites, whilst keeping the Newbridge site open. Officers advised that they were trying to minimise the impact to customers and that Newbridge Cash Desk had been identified as a potential site for closure as it had the lowest footfall rate of all the sites and generally had a very low usage rate.

A query was raised as to the use of the Mobile Customer Service Centre as an alternative to the Newbridge Cash Desk. It was explained that this service already visited the neighbouring communities of Panside and Trinant. In addition, the analysis of the distribution of customers (attached at Appendix B) indicated that the majority of customers using the Newbridge Cash Desk live in communities which are served by a Post Office where they can make payments in person using a Post Office Payment Card. A query was also raised as to footfall within the Customer Service Centres on Saturdays and Officers advised that this was comparable with late afternoon usage during the weekday.

Members commented on the information contained within the report and stated that it would be useful to see a footfall breakdown analysis across each of the sites, in addition to information relating to staffing levels at each site. The Chair added that information on how the proposals within the report affected staff would be useful to Members. Confirmation of a Member's proposed amendment to the report recommendation was sought and subsequently clarified.

An amendment to the report recommendation was moved and seconded in that a report be requested to detail the feasibility and impact of realigning the opening hours of all current CCBC Customer Service sites to 10am, and that robust consultation on changing these

opening times be undertaken with staff and service users. By a show of hands, this was unanimously agreed.

It was agreed that this report be presented at the next meeting of the Policy and Resources Scrutiny Committee on 20<sup>th</sup> January 2015. The Ward Member for Newbridge made further comments in relation to Customer Service provision within the Newbridge Cash Desk site and was advised that his comments would be included within the public consultation. Members also asked if the logistics of opening hours and the possibility of using the Mobile Customer Service Centre to cover sites earmarked for afternoon closures could be examined in the report.

Following consideration of this item, it was agreed at 6.55 pm that the meeting adjourn for a short recess. The meeting reconvened at 7.00 pm.

## **7. INVESTMENT STRATEGY**

Stephen Harris presented the report, which provided the Scrutiny Committee with additional information in relation to proposals to review the Authority's investment strategy. Members were asked to consider and comment upon this additional information and make an appropriate recommendation to Cabinet and thereafter Council.

A report was previously presented to the Special Policy and Resources Scrutiny Committee on 24<sup>th</sup> September 2014 which proposed a change in the Authority's Treasury Management Investment Strategy. The report provided details of various investment portfolios that the Authority could adopt to enhance investment returns to support the Medium Term Financial Plan (MTFP). The MTFP has an additional £263,000 of investment income included supporting the Authority's 2015/16 draft budget savings proposals.

The original report presented three models for Members' consideration in relation to the current approach to investments. After considering the content of the report, additional information was requested in relation to Model 1, as this offered the highest returns. Officers had expressed concern around the amount of cash readily available in the short-term under Model 1 to meet the Authority's liquidity requirements as almost two-thirds of the portfolio was tied up in investments greater than 1 year.

The latest report provided an updated position on the investment portfolios previously presented and outlined further advice received from the Authority's Treasury Advisors, Arlingclose. It was explained that Arlingclose have recently updated the indicative investment portfolios previously presented, which continue to follow the same underlying makeup as proposed in the earlier Committee report.

At the request of the Scrutiny Committee, Model 1 has been modified to increase the amount of readily available cash, and the three models have been updated to reflect changes in investment yields. The updated potential yields for each Model have reduced as financial markets have reacted to economic, political and regulatory developments across the globe.

Model 1 (revised) has an average investment duration of 768 days, with a return of 1.02% (£764,000). £33m is available within a day's notice, £8.5m is invested between 6 to 12 months, and £33.5m is invested for longer than one year. This portfolio continues to represent liquidity risk as there is not enough cash to cover the short-term period (3 months to 1 year) and would result in the Authority borrowing short-term cash from the money markets to cover cashflow requirements to ease liquidity concerns. As a result investment income would reduce due to an increase in borrowing costs and associated brokerage fees. The use of corporate bonds and floating rate notes would require an amendment to the TM Strategy.

Model 2 has an average duration of 190 days and yields a return of 0.59% (£438,000). £22m is available within a day's notice, £16.8m within 3 months and £19m is invested longer than

1 year. The remaining £17m is invested between 3 and 12 months. This portfolio would suit the Council's cashflow profiling. An amendment to the TM Strategy would be required for the use of covered bonds and the duration of some of the proposed investments.

Model 3 has an average duration of 391 days and yields a return of 0.74% (£550,000). £16.8m is available within a day's notice, £2m within 1 month and £29m is invested longer than 1 year. The remaining £27m is invested between 3 and 12 months. This portfolio would also suit the Council's cashflow profiling. The use of corporate bonds (in addition to covered bonds) would require an amendment to the TM Strategy.

All of the updated scenarios presented in the report have increased risk compared to the existing investment strategy due to investing for longer periods of time and for larger amounts. The credit quality of counterparties has been maintained in accordance with the Treasury Management Strategy (the lowest being rated A). The emphasis on generating higher returns is to invest large balances for a long period of time. The risks with each scenario are still respectively lower than for other benchmarked UK local authorities.

The view of Arlingclose is that the Authority should look to progress to maximising its yields, but that moving immediately to Model 1 may be a step too far at this stage. Arlingclose support an approach that would move to Model 2 or 3 initially, with the longer-term aim being a move to Model 1, subject to a review at a later date.

Discussion of the report ensued and Members discussed the various income options and risks associated with each of the investment models. Members commented on the lower rate of interest arising from Model 3 and queried whether an opportunity for an increased rate of return was being missed by not considering Model 1. Officers reiterated their concerns about moving to Model 1 at this stage and outlined the benefits of moving to Model 2 or 3 as recommended by Arlingclose.

Following consideration of the report, it was moved and seconded that an initial move to Model 2 or Model 3 of the Investment Strategy be endorsed (in line with the Arlingclose recommendation) with the longer-term aim being a move to Model 1, subject to a review of the Investment Strategy within a reasonable period of time. By a show of hands, this was agreed by the majority present.

RECOMMENDED to Cabinet, and thereafter Council, that an initial move to Model 2 or Model 3 of the Investment Strategy be endorsed, with the longer-term aim to move to Model 1, subject to a review of the Investment Strategy within a reasonable period of time.

This recommendation will be included in the Annual Treasury Strategy Report that is due to be presented to Cabinet on 4th February 2015 and Council on 25th February 2015.

In accordance with Rule of Procedure 15.5, Councillor C.J. Cuss wished it recorded that he had voted against the recommendation.

## **8. PONTLLANFRAITH HOUSE**

Councillor D.T. Hardacre, Cabinet Member for Performance and Asset Management, together with Colin Jones, Head of Performance and Property Services, presented the report to Members.

The report provided further information in respect of the savings proposal to close Pontllanfraith House as part of the Council's Land and Buildings Asset Rationalisation Programme. This report was a follow-up to the report presented at a special Policy and Resources Scrutiny Committee meeting on 17th June 2014, which established the rationale behind the proposal to close Pontllanfraith House.

This report detailed the potential impact of the closure on Council services, access for the public to those services, financial implications, employment issues and equality implications.

The Cabinet Member reminded the Committee of the aims of the Council's Land and Buildings Asset Rationalisation Programme and reiterated the significant and high cost repair liability relating to Pontllanfraith House, for which there is no provision in the capital programme. Pontllanfraith House has therefore been identified as a prime candidate building for closure as it represents a significant liability to the Council. The report explained that the Council services offered from Pontllanfraith House can be successfully redistributed amongst other existing corporate offices.

The Head of Performance and Property Services endorsed the Cabinet Member's introduction and welcomed questions from Members in relation to the proposals to close Pontllanfraith House.

Members called for a business case and the need for further information and a detailed breakdown of the costs involved in the closure of Pontllanfraith House and the relocation of staff. Officers referred to the report presented to the special Policy and Resources Scrutiny Committee on 17th June 2014, which contained a detailed breakdown of the associated costs, and which had been endorsed in principle by the Committee.

Members were reminded of the range of structural defects within Pontllanfraith House and the £5m of capital costs required to refurbish the building and bring it up to the required standard. Officers also advised that relocated staff could be sufficiently accommodated within alternative Council sites. The closure would realise a significant cost saving and avoid an expensive project to deal with the range of defects at the Pontllanfraith House Offices.

A query was raised as to the full costings in terms of staff relocation, utility upgrades and renovations to other Council buildings in order to accommodate the relocated staff. Officers advised that this was outlined within the Financial Implications section of the report and that due consideration had been given in the costings to the relocation factors and upgrading of facilities required.

Members sought reassurances that all costs were detailed within the report and that there would be no additional costs involved in the closure of Pontllanfraith House and the relocation of staff. The Head of Performance and Property Services offered to provide an additional report to provide a full breakdown of the costs involved, and it was agreed that this would be presented to Members at the next Policy and Resources Scrutiny Committee meeting on the 20th January 2015.

The Cabinet Member reiterated the need for a timely decision to be made on the proposed closure, advising of the timelines involved in presenting further reports to Members and the need to allow time for further consultation.

The Trade Unions were invited to respond to the proposals, and Mr Enright made reference to the suggested relocation options for Housing and the Community and Leisure Services divisions, commenting on the suitability of the suggested buildings for these services. Mr Enright reiterated the Members' view that further information was required in relation to the proposals. It was confirmed that Pontllanfraith House staff were aware of the proposals, and Members reiterated the need for detailed consultation with staff in regards to these proposals.

A query was raised in relation to the future of the Pontllanfraith House site if vacated, including potential demolition costs. It was confirmed that subject to ratification by Members, the building would be offered for sale and therefore any demolition costs would become the responsibility of the purchaser.

Members referred to the rationalisation of Council buildings and it was confirmed that this was the basis of the Council's Land and Buildings Asset Rationalisation Programme. Examples of

building rationalisation were outlined to Members, including the closures of Hawtin Park Council Offices and Enterprise House.

Further discussion took place in relation to the financial implications associated with relocation and the proposed modifications to other Council buildings in order to accommodate the relocated staff. Reference was made to Ty Dyffryn and Members commented on the feasibility of accommodating both relocated staff and the proposed new Waste Transfer Station facilities within the same site. Local Ward Members also reiterated concerns previously raised that the closure of Pontllanfraith House would have a negative impact on the local community.

An amendment was moved and seconded, in that the proposal to close Pontllanfraith House be opposed, subject to further information being provided on the full financial implications of the proposed closure. By a show of hands and with the casting vote of the Chair, the motion was declared lost.

It was moved and seconded that the proposals to close Pontllanfraith House be endorsed, subject to further information being provided on the full financial implications of the proposed closure, including additional costs arising from works required at alternative premises to accommodate staff. By a show of hands and a majority vote, the motion was declared carried.

A Member stated that they had voted in favour of the latter motion in error, and the Chair confirmed that if this had resulted in the vote being declared equal, he would have used his casting vote to declare the motion carried.

## **9. 6-MONTH PROGRESS UPDATE OF IMPROVEMENT OBJECTIVES – CAERPHILLY PASSPORT PROGRAMME UPDATE**

Councillor Miss E. Forehead declared a personal interest in this item, in that she has a family member who is employed within the Passport Programme, and left the meeting during consideration of this item.

Gareth Hardacre, Head of Workforce and Organisational Development, presented the report, which provided Members with a six-month update of the Improvement Objectives relating to the Caerphilly Passport Programme. It was noted that the report had been deferred from the Policy and Resources Scrutiny Committee of 11th November 2014.

Good progress continues to be made with the Passport Programme, with 673 young people referred into the scheme to date. Since April 2014, 84 placements have been delivered across the three Programme Tiers, against the annual target of 150 placements. 12 apprenticeship opportunities were created against an annual target of 25, together with 38 employment opportunities against an annual target of 40. To date the amount of positive outcomes arising from the programme (young people going into employment or back into full-time education) stands at 78%. Further detailed information relating to the Improvement Objectives was contained within Appendix 2 of the report.

Members were advised of the recent Passport Celebration Event attended by a number of Cabinet Members and Assembly Members, which demonstrated the positive impact of the programme on the lives of young people. The Programme has recently undergone a number of audits and evaluation, with the Passport Programme Team successfully completing the European Social Fund (ESF) Team Audit run between April and July. The results of this were attached as Appendix 1 to the report. An evaluation of the Programme undertaken by Wavehill Ltd is nearing completion, with feedback to date complimentary, and the completed evaluation anticipated shortly. The Passport Programme was also selected for an ESF National Team Audit and a draft report of the results has been positively received.

With regard to future developments, the ESF grant ends on 31st December 2014. In order to fund the programme until the end of March 2015, additional Flexible Support Fund grant funding of approximately £42,500 has been secured to cover staffing and training costs. The next round of ESF funding is in progress with logic tables being submitted and discussed with the Wales European Funding Office (WEFO). Their view is that all bids coming forward need to be supported by the Regional Learning Skills and Innovation Board. For the Passport Programme to continue, both ESF funding and a further allocation of Jobs Growth Wales placements will need to be secured, and thus it was explained that there is currently uncertainty around future funding for the Passport Programme being secured.

Officers clarified the procedure involved in filling vacant positions within the Authority and the role of the Passport Programme in regards to this, with it explained that there was increased success with Programme participants becoming employed within the private sector. Members praised the work of the Programme, stating that they would wish to see it continue, and queried the feasibility of Cabinet approaching the Welsh Government with a view to securing future funding. It was explained that there were issues in securing future ESF funding due to the difficulty of the Programme in matching the funding criteria. The feasibility of using Council reserves to meet a short-term funding gap was also discussed with Officers.

Unison representatives were asked for their views and Mr Bezzina requested that the Trade Unions be kept informed of developments in relation to the Passport Programme and future funding.

Members were in agreement that the satisfactory progress was being made against the Improvement Objectives relating to the Caerphilly Passport Programme, and noted the contents of the report.

The meeting closed at 7.54 pm

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 20th January 2015, they were signed by the Chair.

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CHAIR