

CABINET - TUESDAY, 31 JANUARY 2017

MINUTES OF A MEETING OF THE CABINET HELD IN COMMITTEE ROOMS 1/2/3, CIVIC OFFICES ANGEL STREET BRIDGEND CF31 4WB ON TUESDAY, 31 JANUARY 2017 AT 2.30 PM

Present

Councillor HJ David – Chairperson

CE Smith

HJ Townsend

PJ White

HM Williams

Apologies for Absence

CL Reeves

Officers:

Randal Hemingway	Head of Finance & Section 151 Officer
Darren Mephram	Chief Executive
Mark Shephard	Corporate Director - Communities
Susan Cooper	Corporate Director - Social Services & Wellbeing
Andrew Jolley	Corporate Director Operational & Partnership Services
Robin Davies	Group Manager - Business Strategy and Performance
Andrew Rees	Senior Democratic Services Officer - Committees

1042. DECLARATIONS OF INTEREST

None.

1043. APPROVAL OF MINUTES

RESOLVED: That the minutes of the meeting of Cabinet of 10 January 2017 be approved as a true and accurate record.

1044. MEDIUM TERM FINANCIAL STRATEGY 2017-18 TO 2020-21 AND DRAFT BUDGET CONSULTATION PROCESS

The Corporate Director Operational and Partnership Services presented the presented the recommendations of the Corporate Resources and Improvement Overview and Scrutiny Committee and the findings of the Budget Research and Evaluation Panel (BREP) in considering the draft Cabinet proposals on the Medium Term Financial Strategy 2017-18 to 2020-21.

The Deputy Leader placed on record his thanks to the Members of the Corporate Resources and Improvement Overview and Scrutiny Committee and the Budget Research and Evaluation Panel for the work undertaken in relation to the draft Budget Proposals and that the recommendations would be considered by Cabinet.

RESOLVED: That Cabinet agreed to consider the recommendations of the Corporate Resources and Improvement Overview and Scrutiny Committee, in response to the Medium Term Financial Strategy 2017-18 to 2020-21 and the Draft Budget Consultation Process.

1045. BUDGET MONITORING 2016-17 - QUARTER 3 FORECAST

The Head of Finance Section 151 Officer reported on an update on the Council's financial position as at 31 December 2016.

He informed Cabinet that Council on 10 March 2016 had approved a net revenue budget of £254.891 million for 2016-17 along with a capital programme of £43.553 million, which was revised to £47.121 million. He reported that the overall projected position as at 31 December 2016 was a net under spend of £418k, comprising a £1.525 million net under spend on Directorates and a £5.363 million net under spend on corporate budgets, offset by net transfers to earmarked reserves of £6.470 million. The Head of Finance and Section 151 Officer stated that the Draft Budget for 2017-18 and an outline Medium Term Financial Strategy (MTFS) for 2017-2021 approved for consultation by Cabinet in November 2016 had estimated that £33.6 million of recurrent budget reductions between 2017 and 2021 would have to be found based on the most likely scenario.

He reported on the monitoring of budget reduction proposals in that of the £11.225 million budget reduction proposals for 2015-16, £2.692 million had not been met in full, leaving a shortfall in the financial year of £1.909 million. There remained an ongoing shortfall of £1.167 million in 2016-17 against these specific proposals. A MTFS Budget Reduction Contingency had been established as an earmarked reserve of £333,000 which will be used to partly mitigate the shortfall on MREC, Blue Badges and School Transport. He reported that of the budget reductions proposals totalling £7.477 million, seven of the proposals totalling £1.302 million are Red and twelve of the savings proposals are Amber, which total £821,000. He informed Cabinet that he had reviewed the shortfalls and had made an additional one-off allocation from the MTFS Budget Reduction Contingency of £195,000 to rationalise the core office estate – leasing of Raven's Court. He stated that work is ongoing to deliver the proposals or alternatives which have been reflected in the forecast outturn for the year. He summarised the financial position for each main service area by Directorate as at 31 December 2016.

The Head of Finance and Section 151 Officer reported on the position on the Council wide budgets which is £42.173 million with a projected outturn of £36.810 million, resulting in a projected under spend of £5.363 million as a result of lower demand than forecast for the Council Tax Reduction Scheme, an under spend on the interest paid on Capital financing due to lower borrowing than anticipated and an under spend on other Corporate Budgets. He stated that funding was held corporately to meet the budget pressures associated with Extra Care scheme, however due to the delay in the scheme, the funding has been transferred to an earmarked reserve, pending construction works. He stated that this projection could change significantly during the financial year, depending on the extent of inclement weather during the winter period, the outcome of the Welsh Language appeals and further demands on the Council Tax Reduction Scheme.

The Section 151 Officer reported on the monitoring of the capital programme for 2016-17, which was approved by Council in March 2016 and further revised during the year to incorporate budgets brought forward from 2015-16, budgets carried forward into 2017-18 and any new schemes and grant approvals. The revised programme totalled £28.133 million following slippage of £18.47 million, of which £18.393 million is met from Council resources with the remaining £9.74 million coming from external resources.

He outlined the position on the review of earmarked reserves, the movement of earmarked reserves to the end of Quarter 3 and on the creation of new earmarked reserve, increases to existing earmarked reserves and amounts that have been unwound from reserves during Quarter 3. He stated that following a review of public realm assets, the Communities Directorate had identified a range of urgent works required across the County Borough. A public realm reserve of £200,000 had been created from existing resources to be drawn against as quickly as works can be completed.

The Leader questioned whether the Extra Care scheme would be eligible for social housing grant. The Corporate Director Social Services and Wellbeing stated that the Council's partner in the scheme, Linc would be submitting a bid for social housing grant. The Head of Finance and Section 151 Officer confirmed that there was a shortfall with the Extra Scheme which the Council's partner will bridge.

The Cabinet Member Social Services and Early Help questioned the reason for the under spend in Housing Options and Homelessness where there was a budget variance of 47.1%. The Corporate Director Operational and Partnership Services stated that the under spend was attributed to difficulties in recruitment. He stated that grant money would be utilised fully rather than the Council using its own resources.

The Leader questioned requested an explanation of the reserves for Service Reconfiguration and the MTFS Budget Contingency. The Head of Finance and Section 151 Officer informed Cabinet that £1 million had been added to Service Reconfiguration for redundancy costs and the MTFS Budget Contingency had been topped up.

RESOLVED: That Cabinet noted the projected revenue and capital outturn position for 2016-17.

1046. CARDIFF CAPITAL REGION - CITY DEAL

The Chief Executive sought approval for the formal establishment of the Cardiff Capital Region Joint Committee to oversee the region's economic growth agenda and delivery of the 20 year Cardiff Capital Region City Deal. He also sought approval of the Joint Working Agreement (JWA), Assurance Framework, Implementation Plan and the role of Cardiff Council as the Accountable Body that will enable the establishment of the Cardiff Capital Region City Deal.

The Chief Executive reported that the Cardiff Capital Region City Deal Heads of Terms Agreement which was signed on 15 March 2016 outlined the parameters for the detailed development of the City Deal and set out how the ten local authorities will work in partnership with the Welsh Government and UK Government to support economic growth. He stated that in order to progress enhanced regional working and the establishment of the Investment Fund; the Heads of Terms outline proposals to establish a Cardiff Capital Region governance model. He informed Cabinet that the development of the City Deal is reliant on the establishment of a Joint Committee comprising the participating local authorities, which will also be the lead body for any local authority regional collaboration on issues highlighted within the City Deal Heads of Terms. He also informed Cabinet that securing a final City Deal agreement is also reliant on the establishment of an Investment Fund Assurance Framework which will ensure that schemes taken forward represent good value for money and are underpinned by a robust business case. An exception to this is the South East Wales Metro which will be subject to a separate Welsh Government assessment. Committing the Council to a to a Joint Working Agreement that represents a fundamental and long-term shift in the way in which local government in the city-region functions, bringing about a step change in collaboration in the areas of economic development, skills and training, regeneration, strategic planning, housing and transport.

The Chief Executive reported on progress in delivering the City Deal in that the Heads of Terms outlines the joint commitments made by the ten local authorities of the Cardiff Capital Region, the UK Government and the Welsh Government to unlock £1.2 billion of investment to increase the performance of the city-region economy. He stated that recent work had encompassed the establishment of:

- Cardiff Capital Region Joint Cabinet;

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- A Programme Management Office;
- Growth and Competitiveness Commission;
- Employment and Skills Board;
- Regional Transport Authority;
- Cardiff Capital Region Economic Growth Partnership
- A Regional Business Organisation

The Chief Executive reported that in order to discharge the Cardiff Capital Region's City Deal commitments and implement an ambitious economic strategy in the longer term, the ten local authorities requested that greater financial autonomy and flexibility should be granted by government in order to accelerate the delivery of critical infrastructure across the region at a time of local authority funding constraints.

The Chief Executive also reported that the next steps involved the establishment of a Regional Cabinet and to agree the terms and conditions of the City Deal Investment Fund. He stated that there are three specific requirements to be met, set by UK and Welsh Governments, namely:-

- The transition of the Regional Cabinet out of the "Shadow" arrangements;
- Formal approval of the Assurance Framework for the Investment Fund; and
- Formal approval of the Implementation Plan.

The Chief Executive informed Cabinet that all ten constituent councils will be asked to agree to the recommendations set out in the report and which have been presented in a consistent manner to all ten councils. He stated that once all ten constituent councils agree to the Assurance Framework and the Implementation Plan they need to be submitted to the Welsh and UK Governments by the end of February 2017 and finalised at the latest by 31st March 2017, in order to release this financial year's funding contribution from UK Government. The Chief Executive highlighted the financial implications for the ten partner local authorities and based on the proportion of total population for the City Deal area, this Council's share of the financial contributions is 9.4% resulting in a capital contribution of £11.28 million over 10 years and a proposed 'Affordability Envelope' of £19.9 million, including the cost of carry. He outlined in detail how the Council would fund both the revenue and capital implications of the City Deal in the MTFs.

The Leader in commending the recommendations stated that this was a watershed in the development of the City Deal and he commented on the close working relationship which had been developed amongst the ten local authorities. He also commented that the City Deal is a very ambitious programme and was unique in the way in which the ten local authorities had come together with the UK and Welsh Governments. He was also very heartened at the way the 10 local authorities had approved the recommendations and next steps and which has also had cross party support. The City Deal programme has also had the support of the three Universities in the region as well as the Federation of Small Businesses; Institute of Directors and CBI. He stated that the case for the City Deal is compelling and he looked forward to the Council adopting the proposals for the future prosperity of those who live in the region and to secure investment in the region.

The Cabinet Member Social Services and Early Help commented on the need for inclusion and on the importance of convincing everyone in the region to support the City Deal. The Cabinet Member Education and Regeneration in supporting the recommendations commented on the importance of establishing the Growth and Competitiveness Commission which identified the challenges and opportunities for economic growth and how the region can achieve its full growth potential. He believed that the themes and role models are right and commented on the importance of regional

investment which had brought prosperity not only in the UK but also in European cities. The Deputy Leader commented on the challenges ahead presented by the City Deal and hoped that the opportunities are grasped. The Cabinet Member Wellbeing and Future Generations commented on the importance of the collaboration of securing what is best for the whole of the region and not based on parochialism. The Leader hoped that this approach was recognised by the 10 local authorities. The Chief Executive informed Cabinet that the Assurance Framework would be in place to ensure the schemes taken forward represent value for money for the region and are underpinned by a robust business case.

RESOLVED: That Cabinet approved the following in so far as it applied to its function:

- (1) Approved the Joint Working Agreement as the legal document that formally establishes the Cardiff Capital Region Joint Committee (the 'Regional Cabinet') as a Joint Committee, with delegated functions, with a Commencement Date of the 1st March 2017. The elected member representative to the Regional Cabinet shall be the Leader of the Council, or his/her nominated Deputy;
- (2) Approved the financial contributions from each constituent council towards the collective £120m total, (together with such associated costs e.g. carry costs), as detailed in the body of this report;
- (3) Approved the carry forward of any remaining revenue funds from 2016/2017, contributed by each constituent council, into 2017/2018 in order that the support structure for the Regional Cabinet continues;
- (4) Approved the collective revenue contributions of up to £1m (inclusive of Recommendation 3 above, on a proportional basis as set out in the JWA) to the 2017/2018 budget, in order that the support structure for the Regional Cabinet continues;
- (5) Approved that the City of Cardiff Council acts as the Accountable Body with the responsibilities as set out in the JWA;
- (6) Approved the Assurance Framework as the open and transparent, robust decision making process for considering all proposals requiring support from the CCR City Deal Wider Investment Fund;
- (7) Approved the Implementation Plan in the form attached to the JWA, subject to each constituent council approving the JWA Business Plan;
- (8) Approved the Chief Executive in consultation with the Leader of the Council, the Corporate Director Operational and Partnership Services and s151 Officer be granted delegated authority to agree such amendments as are necessary to the JWA, Assurance Framework and Implementation Plan (as are appropriate) from the date of acceptance of these recommendations to the Commencement Date of the 1st March 2017;

(9) Approved the Chief Executive in consultation with the Leader of the Council, the Corporate Director Operational and Partnership Services and s151 Officer be granted delegated authority to agree whether the Council should continue to explore the opportunity to continue to participate in the CCR City Deal in the event that one or more of the ten constituent councils fail to agree any of recommendations (1) – (2) above; and

(10) Approved the Leader of the Council or his nominated Deputy be granted delegated authority to sign the JWA on behalf of the Council.

1047. EUROPEAN REGIONAL DEVELOPMENT FUND (ERDF) REGIONAL SCHEME FOR ENTERPRISE HUB DEVELOPMENT

The Corporate Director Communities sought approval to to submit a project proposal for funding under the West Wales and the Valleys ERDF Priority 4, Strategic Objective Four to increase employment through investments in prioritised local or regional infrastructure, supporting a regional or urban economic strategy.

He reported that following direction from the South East Wales Directors of Environment and Regeneration (SEWDER) and further endorsement by the Cardiff Capital Region (CCR) Programme Board, six neighbouring authorities are working together to develop a regional proposal for the funding available under P4SO4. Any proposals submitted under the programme would take into account other strategic work taking place across the region, and should also link with relevant regional and national strategies and the recent report by the Cardiff Capital Region City Deal Growth and Competitiveness Commission.

The Corporate Director Communities reported that the project aimed to assist in the delivery of an integrated approach to targeted investment, which can help to support Small to Medium Enterprise (SME) growth, creation of microenterprise hubs and overall increase employment opportunities. He stated that an integrated regional approach would be taken and each Authority will develop its prioritised action based on those aspects of delivery it considered most appropriate. It was also recognised that infrastructure alone would not be sufficient to achieve the outcomes associated with this specific objective and it was proposed that as part of the operation there would be a range of activities which support the development of enterprise. He stated that for the County Borough, it was proposed that the focus for investment would be primarily on the Science Park and the Innovation Centre but also include other aspects of the portfolio where relevant. It was proposed that the funding opportunity could support and complement the existing stock of employment sites in the area. He also stated that there is demand within the County Borough for small / micro enterprise space which cannot currently be fulfilled. The increased economic impact would therefore help to support building relationships and confidence with the private sector to invest within the region.

The Corporate Director Communities reported that Blaenau Gwent County Borough Council had indicated a willingness to assume the role of Lead Authority for the purposes of coordinating and preparing the Business Plan for the Project.

RESOLVED: That Cabinet:

- (1) Supported the proposal that Blaenau Gwent assumes the role of Lead Authority for the purposes of coordinating and preparing the business plan for the Project.
- (2) Authorised the Corporate Director – Communities, to develop the detailed business plan for the Project, including the match-funding requirement, focusing on the Bridgend Science Park and Innovation Centre (but also including other aspects of the portfolio where relevant).
- (3) Authorised the Corporate Director – Communities, in consultation with the S151 Officer, to submit the business plan based on the confirmed level of match funding at the date of submission and accept the resulting funding offer in line with the Council's Grant policy, and subject to being satisfied that any grant conditions attached to the offer of funding are acceptable.

1048. PORTHCAWL RESORT INVESTMENT FOCUS - PRIF

The Corporate Director Communities reported on an update on progress in relation to the development of the EU funded, Porthcawl Resort Investment Focus (PRIF) Programme which was being developed in association with Porthcawl Harbourside Community Interest Company (PHCIC) and Visit Wales (VW), and sought approval to submit the final business plan and accept identified funding.

He reported that following a regional prioritisation exercise involving all 10 Local Authorities in the South East Wales area, Porthcawl was scored as a priority for support. He stated that he was authorised by Cabinet in April 2015 to develop the detail of the priority scheme for Porthcawl in partnership with local, regional and national stakeholders and, in consultation with the s151 Officer, to put in place the necessary match-funding arrangements for the delivery of the Scheme in line with the VW funding timetable. On 18 March 2016 it was announced that the Tourism Attractor Destinations (TAD) Programme has received approval to develop a £85m investment, backed with £27.7m from ERDF.

The Corporate Director Communities reported that the overall PRIF Programme is divided into two parts with certain aspects being delivered by the PHCIC and certain aspects being delivered by Bridgend County Borough Council. The organisations will each be responsible for its respective activities, funding arrangement and reporting requirements and each will enter into separate agreements with the funder. He stated that the two organisations have worked closely together in the development stage to date and would continue to do so during the proposed delivery stage under the PRIF Programme banner, despite technically being two separate Schemes.

He reported that the scope of the overall PRIF Programme, made up of both BCBC and PHCIC activity, is to create a high quality, 21st Century signature destination within Wales, offering selling points to a range of global markets, potentially involving a bustling waterside; a world class golf offer and a high quality accommodation development. He informed Cabinet that If successful in obtaining funds it is considered that delivery will aim to:

- Create jobs and enhance the resilience and size of the local economy
- Position Porthcawl as recognised as an exemplar of innovation and sustainability
- Increase both day visitors and overnight stays in the area

- Reduce seasonal flow of visitor patterns

The Corporate Director Communities reported that the governance of the Council's aspects of the PRIF Programme will take place through the Porthcawl Programme Board, with a project team already identified with key roles and responsibilities. He outlined the financial implications of the programme in that the total value of the Council's activity within the PRIF Programme is currently considered to be £2,555,000, made up of a proposed ERDF grant of £1,565,940 and match funding of £989,060. He stated that currently £300,000 had already been secured from the Coastal Communities Fund grant, reducing the BCBC match-funding requirement through the Strategic Regeneration Fund.

The Cabinet Member Education and Regeneration in supporting the recommendations commented on the positive association between the Council and the PHCIC which has played an active role in the development of the programme with the other partners. The Leader in commending the proposals stated that this was very good news for Porthcawl and the County Borough as a whole which would take the resort forward with confidence.

RESOLVED: That Cabinet:

- (1) Authorised the Corporate Director – Communities to develop the detailed business plan.
- (2) Authorised the Corporate Director – Communities, in consultation with the Section 151 Officer, to submit the business plan and accept the resulting funding offer in line with the Council's Grants Policy, and subject to being satisfied that any grant conditions attached to the funding offer are acceptable.

1049. **SCHOOL MODERNISATION PROGRAMME: OUTCOME OF CONSULTATIONS ON PROPOSAL TO MAKE A REGULATED ALTERATION TO AFON Y FELIN PRIMARY SCHOOL**

The Group Manager Business Strategy and Performance reported on the outcome of the consultation on the proposal to make a regulated alteration to Afon y Felin Primary School by enlarging the school and presented the findings of the consultation in draft consultation report.

He reported that prior to the commencement of this academic year, it became apparent that there would be a significant increase in pupil numbers for 2016/17 and as at September 2016 there were 110 pupils aged 4-11 and 23 nursery aged pupils on roll at the School. He stated that In order to accommodate the increased pupil numbers and avoid overcrowding it became necessary for the School to utilise a space within the existing accommodation for teaching purposes. This resulted in an increase to the capacity and this change was implemented on a temporary basis this academic year.

The Group Manager Business Strategy and Performance reported that Cabinet was informed in October 2016 of the need to formalise the temporary arrangement by undertaking a regulated alteration to enlarge the School, as the capacity of the school five years prior to the date of the proposed implementation was 96. He stated that the re-designation of spaces at the school resulted in the capacity for pupils aged 4-11 increasing to 131 which is greater than 25% of the capacity as at 2011/12.

The Group Manager Business Strategy and Performance reported that consultation was carried out between 22 November 2016 and 6 January 2017 in accordance with the

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statutory School Organisation Code. He summarised the responses to the consultation following pupil consultation; parents and interested parties consultation and staff and governor's consultation. He stated that Estyn's opinion was that the proposal is likely to maintain the standard of education in the area.

RESOLVED: That Cabinet:

- (1) Considered the outcome of the consultation with all parties as detailed in the attached consultation report and appendices;
- (2) Approved the draft consultation report for publication;
- (3) Authorised the publication of a Public Notice on the proposal to make a regulated alteration to the school in the form of an enlargement with effect from April 2017.

1050. INFORMATION REPORTS FOR NOTING

The Corporate Director Operational and Partnership Services presented a report, the purpose of which was to inform Cabinet of the Information Report which has been published since the last meeting.

RESOLVED: That Cabinet acknowledged the publication of the documents listed in the report:-

<u>Title</u>	<u>Date Published</u>
Treasury Management Activities and Treasury Management and Prudential Indicators 2016-17	25 January 2017

1051. URGENT ITEMS

There were no urgent items.

1052. EXCLUSION OF THE PUBLIC

RESOLVED: That under Section 100A (4) of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007, the public be excluded from the meeting during consideration of the following items of business as they contain exempt information as defined in Paragraphs 14 and 16 of Part 4 and Paragraph 21 of Part 5 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007.

The Monitoring Officer confirmed that one of the items was not subject to the public interest test for reasons of legal professional privilege and should therefore be considered in private. However the public interest applied in respect of one item of business.

Following the application of the public interest test in consideration of these other items, it was resolved that pursuant to the Act referred to above, to consider them in private, with the public being

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excluded from the meeting as they would involve the disclosure of exempt information of the nature as stated above.

1053. PORTHCAWL MARITIME CENTRE PROPOSAL - LAND AT COSY CORNER

1054. COMMISSIONING AND AWARD OF CONTRACTS IN RESPECT OF THE COMMUNITIES FIRST, FAMILIES FIRST AND SUPPORTING PEOPLE PROGRAMME

The meeting closed at 4.20 pm