

MINUTES OF A MEETING OF THE CABINET HELD IN COMMITTEE ROOMS 1/2/3, CIVIC OFFICES ANGEL STREET BRIDGEND CF31 4WB ON TUESDAY, 12 JANUARY 2016 AT 2.30 PM

Present

Councillor MEJ Nott OBE – Chairperson

HJ David
PJ White

M Gregory
HM Williams

CE Smith

HJ Townsend

Officers:

Darren Mepham	Chief Executive
Ness Young	Corporate Director - Resources & Section 151 Officer
Deborah McMillan	Corporate Director - Education & Transformation
Mark Shephard	Corporate Director - Communities
Susan Cooper	Corporate Director - Social Services & Wellbeing
Andrew Jolley	Assistant Chief Executive Legal & Regulatory Services and Monitoring Officer
Andrew Rees	Senior Democratic Services Officer - Committees
Nicola Echanis	Head of Strategy Partnerships & Commissioning

819. APOLOGIES FOR ABSENCE

Apologies for absence were received from the following Officer for the reason so stated:

Deborah McMillan – Corporate Director Education & Transformation - Leave

820. DECLARATIONS OF INTEREST

The following Declarations of Interest were made:

Councillor PJ White declared a personal interest in agenda item 4 – Communities First 2016/17 as a Trustee Board Member of the Bridgend Citizens Advice Bureau.

Councillor PJ White declared a personal interest in agenda item 6 – Establishment of a Framework Agreement for the Provision of Domiciliary Care as his mother in law is in receipt of care provision.

Councillor M Gregory declared a personal interest in agenda item 4 – Communities First 2016/17 as a Trustee Board Member of the Bridgend Citizens Advice Bureau.

Councillor M Gregory declared a personal interest in agenda item 6 – Establishment of a Framework Agreement for the Provision of Domiciliary Care as his mother in law is in receipt of domiciliary care.

Councillor CE Smith declared a personal interest in agenda item 6 – Establishment of a Framework Agreement for the Provision of Domiciliary Care as his mother in law is in receipt of care provision.

821. APPROVAL OF MINUTES

RESOLVED: That the minutes of the meeting of Cabinet of 15 December 2015 be approved as a true and accurate record.

822. COMMUNITIES FIRST 2016/17

The Chief Executive reported that funding for the current Communities First Programme is to end on 31 March 2016 which was based on 3 separate Cluster Delivery teams and Delivery Plans in Upper, Mid and Lower in the County Borough. He stated that in addition, contract arrangements are in place with Bridgend CAB for the provision of a Financial Well-Being and Support project to the value of approximately £80,000 per annum with an extension in place to allow the continuation of this project for the 2016/17 financial year. Funding for 2015/16 has also included a Communities First and Pupil Deprivation Grant match funded with schools in the Lower Cluster. The Welsh Government has confirmed that the current arrangements for a Pupil Deprivation Grant will not be taken forward for the 2016/17 year.

He also reported that the Welsh Government has issued in principle offer letters to award a maximum grant of £1,738,317 to the Council subject to the development of a Single Delivery Plan rather than the 3 separate Cluster Plans in place. This would simplify the management of the grant and allow a move to a more thematic way of working without adversely affecting delivery within the Cluster areas.

The Chief Executive also reported that Cabinet had previously approved in principle to deliver a European Social Funded project Communities for Work and discussions are ongoing with the Welsh Government regarding the legal agreements which will require the signing of a Deed of Entrustment. He stated that Newport City Council has developed a bespoke software system for the recording and monitoring of the Communities First Programme, the system is being made available to other local authorities for a one off fee of £3,000 per cluster, which would be covered by Welsh Government funding. A waiver from the Council's Contract Procedure Rules under rule 3.2.3 is required to enable the Council to enter into a Service Level Agreement with Newport City Council for the provision of the online monitoring tool for the Programme.

The Chief Executive reported that due to the level of funding indicated for this Council there would not be a requirement to re-structure the Programme on a wholesale basis and activities will be refined and re-shaped to meet WG targets and outcomes framework to ensure that activities remain fit for purpose. It was intended to implement a minor re-shaping of management to simplify the management of the Programme to allow for the move to more thematic way of working. This will require consultation with affected members of staff before April 2016 and subject to Welsh Government confirmation of funding, staff contracts will be extended to the 31st March 2017. Any staff changes will follow the Council's Human Resources policies and be subject to any appropriate staff and Trade Union Consultation. He stated that redundancies were not expected given the indicative level of funding allocated to the Council as Lead Delivery Body.

The Chief Executive informed Cabinet that the commissioned Financial Well-being project currently delivered by the CAB will be reviewed and subject to the findings of that review the current provider could continue to deliver this service as the contract provides the option for a 12 month extension to the current arrangements for the 2016/17 financial year.

The Chief Executive also reported on an update on the Communities for Work (C4W) European Social Fund (ESF) which is expected to work alongside and managed by the Communities First programme. He stated that the project will provide a broad range of

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support and advice to long term unemployed adults and young people within the C1st Cluster areas. ESF funding will support a total of 10 posts.

The Leader informed Cabinet that he had met representatives of the CAB and he had invited them to make a pre-Council presentation on their work and in particular their work in relation to supporting people on welfare reform.

The Cabinet Member Communities in commending the proposals stated that it was important that the Council is able to measure accurately the outcomes of Communities First funding through the use of bespoke software.

RESOLVED: That Cabinet:–

- a) approved submission of a Single Delivery Plan for funding for the 2016/17 financial year and approved the acceptance of the WG Communities First Grant under Delegated Powers;
- b) endorsed the extension of the Financial Well-Being and Support project contract with Bridgend CAB, subject to a positive review and assessment for a 12 month period; and
- c) authorised a waiver under Contract Procedure Rule 3.2.3 from the requirement to competitively tender the provision of an on-line monitoring tool on the basis that Newport City Council is technically the only potential provider of the service
- d) authorised the Chief Executive to enter into a Memorandum of Understanding and any ancillary documentation for the use of the Communities First database, with Newport City Council, in consultation with the Assistant Chief Executive Legal and Regulatory Services and the s151 Officer; the terms of the Memorandum of Understanding and any ancillary documentation to be approved by the Assistant Chief Executive Legal and Regulatory Services and the s151 Officer
- e) delegated authority to the Chief Executive in consultation with the Communities Cabinet Member, the Assistant Chief Executive Legal and Regulatory Services and the s151 Officer to enter into a Deed of Entrustment for the C4W programme on terms to be approved by the Assistant Chief Executive Legal and Regulatory Services and the s151 Officer
- f) noted that an update report in respect of the Communities First Programme will be presented to Cabinet within the next six months.

823. MEDIUM TERM FINANCIAL STRATEGY 2016-17 TO 2019-20

The Section 151 Officer presented a report on the Medium Term Financial Strategy for 2016-17 to 2019-20, which included a financial forecast for 2016-20 and a detailed draft revenue budget of 2016-17.

The Section 151 Officer reported that the Corporate Plan is reviewed each year to ensure it continues to reflect the Council's corporate improvement priorities, commitments and performance indicators. The final plan would be considered for approval at Council in March 2016 alongside the Medium Term Financial Strategy 2016-20. The Corporate Plan and the Medium Term Financial Strategy would be fully aligned and would include explicit links between resources and corporate priorities. The

Medium Term Financial Strategy articulated how the Council planned to use its resources to support the achievement of its corporate priorities and statutory duties, including the management of financial pressures and risks over the next four years.

The Section 151 Officer reported on the financial context in that the Chancellor of the Exchequer had announced as part of the Comprehensive Review in November 2015 an improvement of £27 billion in public sector finances over the next 5 years. As a consequence of this the Welsh Government had been given a cash increase of 0.85% for 2016-17. She stated that the provisional Local Government Settlement which provided an average -1.4% reduction in Aggregate External Finance for 2016-17 across Wales, with Bridgend's reduction being 1.2%. This took into account £1.4m Outcome Agreement Grant which had now been included in the Revenue Support Grant. The settlement included sufficient funding to protect school budgets equivalent to 1% above the change in the Welsh Government's Revenue Budget as well as additional funding to help Councils support pressures in social services. The provisional settlement compares favourably to the -4.5% "most likely" assumption contained within the MTFs for 2016-17 and is better than the "best" case scenario assumption of -3%.

The Section 151 Officer reported that there was no indication of local government settlements for 2017-18 onwards and while the 2016-17 draft settlement was better than forecast there continued to be uncertainty around the economy, the prospect of interest rate increases and the pace of the UK Government's austerity programme. She stated that the most likely assumption was a -3.2% annual reduction in Aggregate External Finance for 2017-18, 2018-19 and 2019-20, which would mean a total recurrent budget reduction requirement forecast to be £36.549m for 2016-17 to 2019-20.

The Section 151 Officer also reported on the grant transfers into the revenue settlement for 2016-17, however the full picture on specific grants was not yet clear, but the draft settlement did include information on a number of changes to the level of grants at an all Wales level which impact on the Council's resources. She stated that the Welsh Government had ceased the Regional Collaboration Fund in 2016-17 but had increased the Intermediate Care Fund from £20m in 2015-16 to a proposed £50m across Wales for 2016-17 in the draft budget which would be allocated to the NHS to manage working in partnership with local authorities. The Section 151 Officer informed Cabinet that the draft 2016-17 draft budget assumed a Council Tax increase of 3.9% based on an appropriate balance between the needs of the Council and its citizens.

The Section 151 Officer reported that the Council in February 2015 had approved a capital programme for 2015-16 to 2024-25, based on the assumption that annual capital funding would be flat lined from 2015-16 onwards. A revised capital programme was approved in July and again in October 2015 to incorporate budgets carried forward from 2014-15 and any new schemes and grant approvals. The draft local government capital settlement for 2016-17 provided the Council with £6.293m capital funding for 2016-17, which is £5k more than 2015-16, with no indications given for 2017-18 or beyond. The Section 151 Officer informed Cabinet of the comparison of budget against projected outturn at 30 September 2015, which at the half year stage showed an overall under spend of £571k projected on Directorate budgets.

The Section 151 Officer reported on the Medium Term Financial Strategy (MTFS) for the next four financial years, based on the latest information available from the Welsh Government. The MTFs is reviewed regularly and amended as additional information became available, with the detail for future years being developed over the period of the strategy. The development of the MTFs 2016-17 to 2019-20 has been led by Cabinet and the Corporate Management Board and took into account the Auditor's views and the recommendations of the Budget Research and Evaluation Panel and issues arising in 2015-16, underpinned by the ongoing aim to embed a culture of medium term financial

planning closely aligned with corporate planning. As well as linking explicitly to the Council's corporate priorities, the MTFs is linked to the ICT Strategy and Workforce Plan. The Section 151 Officer highlighted the MTFs principles which would drive the budget and spending decisions over the four year period. Principle 12 has been expanded to include provision for a MTFs Budget Reduction Contingency Reserve to enable the Council to manage delays or unforeseen obstacles to the delivery of significant MTFs budget reduction proposals. She stated that it was prudent to set aside a specific reserve to provide a buffer or a safeguard against budget reductions with a Red risk status not being delivered to plan. An earmarked reserve will be established at year end from any corporate under spends at a level to be determined annually. This will provide additional capacity for discretionary use by the Chief Financial Officer, in consultation with CMB and Cabinet to manage inescapable problems.

The Section 151 Officer reported that the MTFs planning assumptions for 2017-20 are based on an annual reduction in AEF of -3.2% and an assumed increase in council tax of 3.9% for 2017-18, 4.2% for 2018-19 and 4.5% for 2019-20 and the AEF figure of -1.2% based on the published Provisional Settlement. The Section 151 Officer highlighted the potential net budget reductions requirement based on the best scenario, most likely scenario and worst scenario for 2016-17, 2017-18, 2018-19 and 2019-20.

The Section 151 Officer reported that the financial forecast was predicated on £36.549m savings being met from Directorate and Corporate budgets over the period 2016-17, 2017-18, 2018-19 and 2019-20. Budget reduction proposals of £17.4m had already been identified over the period of the MTFs, including the full £7.495m required for 2016-17. Further budget reduction proposals to the value of £19.2m were needed to be developed with a range of options under consideration. The Section 151 Officer highlighted the risk status of these for each year and also highlighted the savings proposals categorised according to the priorities in the Corporate Plan. All the proposals had implications for the Council's workforce given that around two thirds of the net revenue budget related to pay costs. It was intended to manage reductions in Council budgets through the continuation of a recruitment freeze, redeployment, early retirements, and voluntary redundancies, but some compulsory redundancies would continue to be necessary.

The Section 151 Officer informed Cabinet that consultation on the MTFs had been undertaken over an eight week period which included an online survey, community engagement workshops, social media debates, community engagement stands and a meeting with third sector organisations. There had been 1,819 responses with nearly 1,000 people completing the full survey. At least 80% of participants agreed with the three proposed participants; however 71% believed something was missing, citing most commonly the themes of streamlining the Council, public transport and infrastructure and local business support. She stated that the majority of respondents agreed with the idea of protecting some services over others and two thirds felt schools should be expected to make efficiency savings too.

The Section 151 Officer reported on the Draft Revenue Budget for 2016-17 which, based on the proposed budget of £254,884m the council tax increase for 2016-17 would be 3.9%. The Section 151 Officer informed Cabinet of the impact of pay, prices and demographics and unavoidable pressures on the revenue budget. The draft settlement from the Welsh Government included within it additional amounts in respect both of schools' protection as well as the recognition of the pressures facing social care. Budget reduction proposals of £7.495m had been identified from service and corporate budgets to achieve a balanced budget. Corporate budgets include funding for the council tax reduction scheme, the costs of financing capital expenditure, precepts and levies, centrally held pay and prices provisions, insurance budgets, discretionary rate

relief, provision for redundancy related costs and the carbon reduction commitment. Generally income from fees and charges would be increased by CPI of +0.1% plus 1% subject to rounding, or in line with statutory or service requirements. It was proposed that the general fund be maintained at no less than £7m on 2016-17 with the Council's earmarked reserves being kept under review and the forecast may change in the final MTFS report to Council in March 2016.

The Section 151 Officer reported on the proposed capital programme for 2016-17 to 2025-26 and Capital Financing Strategy (including prudential borrowing and Capital Receipts forecast). Both had been developed in line with the MTFS principles and reflect the Welsh Government provisional capital settlement for 2016-17, which provides general capital funding for the Council for 2016-17 of £6.293m, of which £3.912m was un-hypothecated supported borrowing and the remainder £2.381m as general capital grant. There had been no indicative allocations provided for 2017-18 but it was assumed that this level of funding would remain constant after 2016-17. The development of the proposed capital programme had involved a review of the Council's capital investment requirements for 2016-2025 compared to available capital receipts. The programme contains a number of fixed annual allocations that are met from the total general capital funding for the Council. In addition, the Council has approved a contribution of £1m per year as part of the local authority matched funding contribution for the Programme. The current capital programme contains a number of significant strategic investment projects which support a number of the proposed new corporate priorities. The following projects had been included in the Council's approved programme but funding for each project would not be confirmed until the Welsh Government had approved the final business case and sufficient capital receipts had been generated:-

- Coety / Parc Derwen Primary School
- Special Education Needs Provision
- Garw Valley South Primary Provision
- Pencoed Primary School
- Gateway Primary Provision
- Mynydd Cynffig Primary School
- Heronsbridge Special School

The Section 151 Officer informed the Cabinet that the Capital Financing Strategy is underpinned by the Council's Treasury Management Strategy. Capital receipts of around £21m could be generated as part of the enhanced disposals programme, with approximately £9.3m already delivered and £11m of capital receipts to be generated over the next three years of which £4m is expected to be realised in 2016-17. Of the £21m, £8.8m relates to school buildings and land vacated through the 21st Century Schools Programme to be used as match funding for the programme. It included receipts anticipated from the Waterton site along with the sale of other surplus sites within the County Borough

The Section 151 Officer reported that Council on 25 February 2015 had approved Prudential Borrowing of £41.5m, which included £5.6m of Local Government Borrowing Initiative funding towards the costs of the 21st Century Schools Programme. Total Prudential Borrowing taken out by the end of 2016-17 is estimated to be £41.745m, of which £32m is still outstanding.

The Section 151 Officer reported that the budget reduction proposals would be the subject of an Equality Impact Assessment prior to the final reduction recommendations being made on next year's revenue budget.

The Cabinet Member Resources informed Cabinet that it was pleasing to note that while the Welsh Government has provided significant additional resource for health within its budget, the local government settlement, particularly for Bridgend, was better than expected. He stated that the Council's settlement reduction was in effect -2.5% for 2015-16 when protection for schools and social services had been taken into account, rather than the -4.5% which was anticipated. This has reduced the level of budget reductions the Council needed to make in 2016-17 and has led to a slight improvement in our assumptions going forward. The outcome of this, remained very challenging with a total budget reduction requirement of more than £36 million over the life of the MTFS, compared to £49 million previously forecast.

The Cabinet Member Resources also informed Cabinet that for 2016-17, budget reductions of £7.5m were needed to be found, nearly 60% of which was planned to be achieved by making better use of resources. The remainder would be found through policy changes, transformation, collaboration and some managed service reductions. As well as having to find £7.5m to balance the books there would be a requirement to increase Council Tax by 3.9% as opposed to the planned 4.5% which would help reduce some of the impact on the citizens of Bridgend.

The Cabinet Member informed Cabinet that the draft budget and MTFS sets out the Council's financial plans that will support the delivery of the corporate priorities: to support the local economy; to help people to be more self-reliant; and to make smarter use of resources. He commended the 2016-17 annual budget and the MTFS for consultation.

The Deputy Leader informed Cabinet that the Council still required to make budget reductions of £36m over the life of the MTFS, however the Council intended pressing ahead with extra care facilities and the school modernisation programme by delivering new schools in Pencoed, Brynmenyn and investment in a school in Kenfig Hill. He also informed Cabinet that the Council was waiting to hear whether it had secured funding to rebuild the sea wall at Porthcawl.

The Leader informed Cabinet that the settlement had not been as bad as anticipated and that the Council was now in a position where it could present the budget for consultation.

RESOLVED: That Cabinet submitted for consultation the 2016-17 annual budget and development of the MTFS 2016-17 to 2019-20.

824. **ESTABLISHMENT OF A FRAMEWORK AGREEMENT FOR THE PROVISION OF DOMICILIARY CARE**

The Corporate Director Social Services and Wellbeing sought approval to award a framework agreement for the provision of domiciliary care.

The Corporate Director Social Services and Wellbeing reported that Cabinet had previously approved the remodeling homecare implementation plan, which set out the Council's intentions for meeting the increasing demands for internal homecare and external domiciliary care in a sustainable and managed way. Commissioning Officers had since developed a service model that will enable the Council to meet the increasing demands for services through the commissioning of high quality, flexible and sustainable domiciliary care support. She stated that the service had been developed in consultation with a wide range of stakeholders. During the consultation, feedback indicated the importance of staff being reliable and on time and as such, a contractual requirement had been made for all framework providers to implement electronic call

monitoring which will generate alerts if staff arrive late at a scheduled visit or miss a scheduled visit.

The Corporate Director Social Services and Wellbeing informed Cabinet of the tender process undertaken to appoint providers to the framework agreement for an initial 2 year period with an option to extend for a further 24 months. The tenders had been assessed on the basis of 60% quality and 40% on price. She stated that responses were received from 14 bidders, of which 13 bidders had sufficiently demonstrated their commitment to the quality requirements.

The Corporate Director Social Services and Wellbeing informed Cabinet that letters would be sent to the successful and unsuccessful providers and a 10 day standstill period will be applied and subject to there being no challenge the framework will commence on 1 April 2016. She stated that it was essential that changes to the current arrangements for commissioning the domiciliary care sector are undertaken in a manner which is sensitive to the needs of those in receipt of domiciliary care.

The Cabinet Member Adult Social Care and Health and Wellbeing in commending the proposal to enter into the award of a framework agreement stated that there is a commitment by the Council to ensure that the provision of domiciliary care is delivered sensitively. The Deputy leader stressed the importance of the tenders having a strong emphasis on quality with tenders being assessed on the basis of 60% of quality and not solely on price.

RESOLVED: That Cabinet approved the award of a framework agreement for the provision of domiciliary care for the period 1st April 2016 to the 31st March 2018 (with an option to extend for a further period of up to 24 months), to the bidders listed in Appendix 1, subject to no challenge being received during the standstill period.

825. **INFORMATION REPORTS FOR NOTING**

The Assistant Chief Executive Legal and Regulatory Services presented a report, the purpose of which was to inform Cabinet of the Information Reports and Minutes of Joint Committees that had 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>
Archbishop McGrath Outcome of Estyn Monitoring Visit	6 January 2016
Estyn Inspection Outcomes for Cefn Glas Infants School	6 January 2016
Estyn Inspection Outcomes for Coleg Cymunedol Y Dderwen	6 January 2016
Nantymoel Primary School Outcome of Estyn Monitoring Visit	6 January 2016
St Mary's and St Patrick's Primary Outcome of Estyn Inspection Monitoring	6 January 2016
Homecare – Status Report at the	6 January 2016

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Kenfig National Nature Reserve Management Plan 6 January 2016

Minutes of Coychurch Crematorium Committee of 18 September 2015 6 January 2016 Joint

Minutes of Catalogue Supplies Joint Committee of 24 September 2015 6 January 2016

The Deputy Leader congratulated the staff, pupils and governing body of Cefn Glas Infants School on the outcomes of the recent Estyn inspection and that the school had been invited by Estyn to prepare a written case study which described the excellent practice identified during the inspection. He also acknowledged the good progress made by the staff, pupils and governing bodies of Archbishop McGrath Catholic School, Nantymoel Primary and St Mary's and St Patrick's Primary School in coming out of Estyn monitoring visits.

The Deputy Leader was disappointed to note that Coleg Cymunedol Y Dderwen had been placed in special measures by Estyn. He stated that Estyn will continue to monitor the school's progress and that Schools Challenge Cymru will support the school to improve outcomes and to address the recommendations made by Estyn. He acknowledged the significant impact made by the Interim Head Teacher since the inspection.

The Cabinet Member Regeneration and Economic Development referred to the Management Plan for Kenfig Hill Nature Reserve and informed Cabinet that the onus was on the Trust to plan ahead for the new structure.

826. URGENT ITEMS

There were no urgent items.

827. 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 contained 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.

Following the application of the public interest test it was resolved that pursuant to the Act referred to above, to consider the under-mentioned items in private with the public being excluded from the meeting as they would involve the disclosure of exempt information as stated above.

828. APPROVAL OF EXEMPT MINUTES

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RESOLVED: That the exempt minutes of the meeting of Cabinet of 15 December 2015 be approved as a true and accurate record.

829. DISPOSAL OF LAND AT FORMER MAESTEG LOWER COMPREHENSIVE SITE AND FORMER ARCHBISHOP MCGRATH SITE, BRIDGEND; AND SELECTION OF PREFERRED REGISTERED SOCIAL LANDLORD (RSL) PARTNER TO DEVELOP TWO EXTRA CARE HOUSING DEVELOPMENTS INCLUDING AN ELEMENT OF RESIDENTIAL CARE ON BOTH SITES

The meeting closed at 3.47 pm