

MINUTES OF A MEETING OF THE CABINET HELD AT COUNCIL CHAMBER - COUNTY HALL, LLANDRINDOD WELLS, POWYS ON TUESDAY, 5 JULY 2016

PRESENT

County Councillor W B Thomas (Chair)

County Councillors J H Brunt, M R Harris, EA Jones, W T Jones and W J T Powell

In attendance: County Councillors KW Curry, AW Davies, SC Davies, CJ Gibson-Watt, DR Jones, KM Roberts-Jones

On behalf of the Cabinet the Leader congratulated the Wales national football team on their success at the European Championships and wished them every success for their semi-final match against Portugal. He and the Chairman of Council would send a message of support on behalf of the Council.

1.	APOLOGIES	C122- 2016
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Apologies for absence were received from County Councillor RG Brown, SM Hayes and EA York.

2.	MINUTES	C123- 2016
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The Portfolio Holder for Finance requested that the following text be added to the minutes of the meeting held on 14th June to reflect what he had said at the meeting in respect of item 5 Llanfyllin High School's Use of Delegated Funds for Transport:

"The Portfolio Holder pointed out that in Section 1.4 of the report there was an inaccuracy and the 16 pupils referred to were not being transported on a full cost recovery basis and were in effect also receiving subsidised transport. As a result they will now have to be included in the proposals contained within the report."

Subject to this amendment the Leader was authorised to sign the minutes of the meetings held on 14th and 23rd June 2016 as correct records.

3.	DECLARATIONS OF INTEREST	C124- 2016
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There were no declarations of interest reported.

4.	STATUTORY OBJECTION PERIOD - TALGARTH AND BRONLLYS C.P. SCHOOLS	C125- 2016
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Cabinet was advised that one objection had been received during the statutory objection period to the proposal to close Talgarth and Bronllys C.P. Schools on the 31st August 2017, in accordance with the School Standards and Organisation (Wales) Act 2013, and to establish a new community primary school on the 1st September 2017 that will operate across the current two sites. Cabinet considered the points raised in the objection and the Local Authority response as

well as the comments of the local member. Members were advised that Welsh Government had given approval for the outline business case. The full business case would be submitted in November with a view to starting building work in January 2017 and completion by January 2018. Cabinet noted the potential risk to EU funding for the 21st Century Schools programme and the need to get on with projects to take advantage of the funding on offer.

RESOLVED	Reason for Decision:
That having considered the Objection Report to approve the closure of Talgarth and Bronllys C.P. Schools on the 31st August 2017, in accordance with the School Standards and Organisation (Wales) Act 2013, and to establish a new community primary school on the 1st September 2017 that will operate across the current two sites. Upon the opening of a new school building in Talgarth, the two current sites will close.	To provide a sustainable model of education within the Gwernyfed Primaries Catchment Area

5.	SCHOOL BUDGETS 2016/2017	C126- 2016
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Cabinet considered the outturn for 2015/16 and the proposed budgets for Powys schools for 2016/17. At the end of 2015/16 there were eighteen schools with a cumulative deficit balance totalling £0.94m. Two schools accounted for over £0.5m of the outturn deficit. The level of reserves held had fallen to £2.9m a reduction of £0.7m over the year.

Twenty seven schools were proposing to set a cumulative deficit balance in 2016/17. Eight of the twenty seven schools did not meet the criteria to be licensed and were considered to be unlicensed. The Portfolio Holder for Education gave an update of the actions being taken by officers of the Schools Service to assist these schools. Cabinet was advised that there would be a report to the next meeting on the budget position at Brecon High School and the Chief Executive also asked for a report on Ysgol Cedewain to come to that meeting.

The Chair of the People Scrutiny Committee expressed concern that the level of schools with unlicensed deficits was unsustainable and that the schools financing scheme meant that some schools were not viable. He wanted the Cabinet to intervene earlier and asked for some of the deadlines set out in the recommendations to be brought forward. He also wanted the Cabinet to consider firmer action against schools with unlicensed budgets including the removal of delegated budgets.

The Head of Schools explained that it would be difficult for schools to respond any quicker because Governing Bodies could not meet during the holidays. Schools were required to set their budgets by 1st May and for future years he would look to bring the report to Cabinet earlier.

In response to questions raised by the opposition group leaders about whether schools would be charged for meetings with Finance, Members were advised that the SLA gave schools a set number of meetings with finance staff without being charged for them. Where there was a charge schools would be advised beforehand. It was also confirmed that the change to school admission age had not been factored in by schools setting their budgets. Finance were working with schools to help them make adjustment to their budgets.

The Portfolio Holder for Finance drew Cabinet's attention to the proposed recovery of carbon credits. Schools had been unaware of this and had not made provision in their budgets and therefore he recommended to Cabinet that the costs be met from the Council's budget management reserve.

RESOLVED	Reason for Decision
That the costs of recovery of carbon credits be met from the Council's budget management reserve.	Schools were unaware of the costs and have not made provision in their budgets.

Cabinet was concerned at the forecast budgets noting that many schools in surplus in 2016/17 would be in deficit by 2017/18. The Portfolio Holder for Finance wanted schools to report back with their plans for addressing this. The Head of Schools emphasised to the Cabinet that there would be a significant increase in class sizes in many schools as Governing Bodies sought to manage their budgets by reducing staff. Cabinet noted that the key driver of deficits were falling pupil numbers compounded by the Welsh Government's funding formula that did not take account of the costs of providing services in a rural area.

RESOLVED	Reason for Decision
1. That all planned budgets with a cumulative surplus at 31 March 2017 are approved.	To comply with the Authority's scheme for the financing of schools
2. There is no clawback in respect of the schools outturn figures for 2015/16 as named in paragraph 4.3 of the report.	To comply with the Authority's scheme for the financing of schools
3. That all schools that are potentially subject to clawback for 2016/17 as set out in paragraph 4.5 have their budgets re-assessed after spending plans have been submitted by the 30th September 2016 and a further report brought back to Cabinet during the Autumn Term 2016.	To comply with the Authority's scheme for the financing of schools

<p>4. That the proposed budgets for the following schools who have planned cumulative deficit balances in 2016/17 are licensed:</p> <p><u>Primary</u></p> <p>Archdeacon Griffiths C in W A School Brynhafren C P School Llanbister C P School Llanelwedd C in W Primary School Llanfyllin C P School Llangedwyn C in W Voluntary Controlled School Llangors C in W Controlled School Llansantffraid C in W Aided School St Mary's Catholic School Ysgol Dyffryn Trannon Ysgol Glantwymyn Ysgol Gymaeg Dyffryn Y Glowyr Ysgol Llanbryn-mair Ysgol Maesydre Ysgol Meifod</p> <p><u>Secondary</u></p> <p>Builth Wells High School Crickhowell High School Ysgol Bro Hyddgen Welshpool High School</p>	<p>To comply with the Authority's scheme for the financing of schools</p>
<p>5. The Schools named below with planned cumulative three year consecutive deficit balances, including the current year are not licensed and a notice of concern be issued to each Governing Body and that the Governing Bodies of these schools be required to submit a recovery plan to the authority by the 16th September 2016.</p> <p><u>Schools:</u></p> <p>Churchstoke C P School Clyro C in W School Llanrhaeadr Ym Mochnant C P School Ysgol Dolafon Brecon High School Llanidloes High School Ysgol Maesydderwen Ysgol Cedewain Special School</p>	<p>To comply with the Authority's scheme for the financing of schools</p>
<p>6. A further report on schools with unlicensed deficits is brought to Cabinet by 30 September 2016, to provide a budget update on any proposed actions to be taken as set out in section 2.16 Suspension of Delegation of thy Scheme for Financing Schools.</p>	<p>To comply with the Authority's scheme for the financing of schools</p>

7. Financial surgeries continue in the autumn and spring terms and schools are reminded of the possibility of claw back.	To comply with the Authority's scheme for the financing of schools
8. Existing Loans are monitored.	To comply with the Authority's scheme for the financing of schools

6.	REVENUE BUDGET VIREMENT DUE TO TRANSFER OF STAFF FROM BUSINESS SUPPORT TO SERVICE AREAS	C127- 2016
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Cabinet was asked to consider virements for Business Support staff to transfer back to relevant departments.

RESOLVED	Reason for Decision:
That Cabinet note the outcome of the Business Support Customer Review and approves the virements for HTR and HR set out in paragraph 2.4 of the report and recommends the virement in respect of Regeneration and Property to Full Council.	In order to formally transfer staff from Business Support to relevant Service Area and action revenue budget virement requirements in respect of transfer of baseline budget and associated efficiencies.

7.	FINANCIAL OVERVIEW AND FORECAST AS AT 31ST MAY 2016	C128- 2016
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Cabinet considered the financial overview and forecast report for the period ended 31st May 2016. The Portfolio Holder for Finance reminded Cabinet that Revenue savings of £10.004m were agreed as part of the 2016/17 budget and there were also £51k and £2.545m of savings brought forward from 2014/15 and 2015/16 respectively, which were in the base budget and needed to be delivered, bringing the total savings to be delivered for 2016/17 to £12.600m. Achievement of the savings to the end of May amounted to £7.063m representing 56% of the total to be found in the year.

RESOLVED	Reason for Decision:
That: <ol style="list-style-type: none"> 1. the contents of this report are noted by Cabinet; and 2. Cabinet supports appropriate action by services to curtail or reduce the reported forecasted service deficits. 3. the Capital virements set out in paragraph 5.3 of the report are approved, and those over £500k be submitted to full council for approval. 	To monitor the Council's financial performance and ensure that spending remains within approved limits and that the 3% minimum general fund reserve is maintained.

8.	COMMUNITY DELIVERY FUNDING ARRANGEMENTS	C129- 2016
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The Leader advised that he was a member of Llangyniew Community Council but was not required to declare an interest as there was no proposal specific to that Council in the report.

Cabinet considered revised funding arrangements for Community Delivery projects. The new arrangements were welcomed as they would give more certainty to Town and Community Councils taking over services over the level of funding they would receive. An amendment proposing a fourth recommendation was moved by the Portfolio Holder for Finance.

RESOLVED	Reason for Decision:
<ol style="list-style-type: none"> 1. To support the proposal to change the current funding arrangements and to apply a flat rate of funding based on 45% of the direct operating costs for the service delivery, not including overhead costs and internal recharges. 2. To change the review from three years to five years. 3. To apply the changes retrospectively to current partners i.e. from 1st April 16. 4. That the Cabinet remain open to considering alternative methods of funding, whilst staying within the broad parameters of these proposals. 	<ol style="list-style-type: none"> 1. A flat rate at a higher percentage will assist in developing greater engagement from communities and enable more momentum in achieving savings for the Authority. 2. A longer review period gives greater stability to the initiative. 3. Applying the changes retrospectively to current partners is seen as a fair approach and will endorse good relationships going forward.

The Strategic Director Place agreed to let members have details of the services that had been transferred under Community Delivery and the budgets involved.

9.	MEDIUM TERM FINANCIAL STRATEGY 2016 -2019	C130- 2016
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Cabinet received the Finance Scrutiny Panel’s report on the Medium Term Financial Strategy but agreed to defer consideration until the next meeting on 26 July when the Cabinet’s response would be available.

10.	CSSIW INSPECTION 2015 - IMPROVEMENT OBJECTIVES	C131- 2016
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Cabinet received the report of the Adult Care Scrutiny Group on the implementation of the improvement objectives. The Chair of the People Scrutiny Committee advised that since the size of the committee had been reduced it had

been difficult to get enough members to participate in the various scrutiny working groups and he suggested that membership of the working groups be widened to include members who were not on the committee. The Leader advised that this was a matter for the Joint Chairs rather than the Cabinet. The Monitoring Officer offered to provide group leaders with details of attendance figures so they could review their representation on working groups.

The Leader asked for a response to the report to be brought back to the Cabinet within two months.

County Councillor Gibson-Watt, leader of the Liberal Democrat group expressed concern at the slow pace of integration with Powys Teaching Health Board.

11.	CORRESPONDENCE	C132- 2016
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There were no items of correspondence reported.

12.	DELEGATED DECISIONS TAKEN SINCE THE LAST MEETING	C133- 2016
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Cabinet received details of delegated decisions taken by Portfolio Holders since the last meeting.

13.	FORWARD WORK PROGRAMME	C134- 2016
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Cabinet received details of the forward work programme. The Portfolio Holder for Environment and Sustainability was asked to let the local Member know when the report on Cae Post would be coming back to the Cabinet. The Monitoring Officer reported a request from a meeting of the Joint Chairs held that morning that Portfolio Holders ensure that the forward work programme was populated so that the Joint Chairs were able to plan their Scrutiny work. The Leader reminded Portfolio Holders of their responsibility to keep the forward work programme up to date.

14.	INITIAL ASSESSMENT OF THE IMPACT OF THE EUROPEAN REFERENDUM'S OUTCOME (BREXIT)	C135- 2016
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The Leader agreed that this report could be considered as an urgent item in view of the need to brief the Cabinet on the possible effects of 'Brexit'.

The report set out potential impacts of Brexit from access to EU grants such as the Structural Fund to possible impact on the value of the investments of the Pension Fund.

The Strategic Director Resources agreed to circulate the report to all members of Council.

RESOLVED	Reason for Decision:
That Cabinet: a. note the contents of the report; and b. requests an update on the position is provided in one month's time.	In order that Cabinet is made aware of the current implications of Brexit for Powys and receives regular updates

County Councillor W B Thomas (Leader)