

Public Document Pack

Cabinet

Meeting Venue
**Committee Room A - County Hall,
Llandrindod Wells, Powys**

Meeting date
Tuesday, 30 August 2016

Meeting time
1.00 pm

For further information please contact
Stephen Boyd
01597 826374
steve.boyd@powys.gov.uk



County Hall
Llandrindod Wells
Powys
LD1 5LG

23 August, 2016

AGENDA

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| 1. | APOLOGIES | C158- 2016 |
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To receive apologies for absence.

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| 2. | MINUTES | C159- 2016 |
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To authorise the Chair to sign the minutes of the last meeting held as a correct record.

(Pages 3 - 12)

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| 3. | DECLARATIONS OF INTEREST | C160- 2016 |
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To receive any declarations of interest from Members relating to items to be considered on the agenda.

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| 4. | ICELANDIC UPDATE | C161- 2016 |
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To receive the update report.

(Pages 13 - 16)

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| 5. | EXEMPT ITEMS | C162- 2016 |
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The Monitoring Officer has determined that category 1 of the Access to Information Procedure Rules applies to the following item. His view on the public interest test (having taken account of the provisions of Rule 11.8 of the Council's Access to Information Rules) was that to make this information public would disclose personal data relating to an individual in contravention of the principles of the Data Protection Act. Because of this and since there did not appear to be an overwhelming public interest requiring the disclosure of personal data he felt that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Members are asked to consider these factors when determining the public interest test, which they must decide when considering excluding the public from this part of the meeting.

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| 6. | COMPULSORY REDUNDANCY | C163- 2016 |
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To consider a report from the Chief Executive.

(Pages 17 - 24)

C159- 2016

MINUTES OF A MEETING OF THE CABINET HELD AT COMMITTEE ROOM A - COUNTY HALL, LLANDRINDOD WELLS, POWYS ON TUESDAY, 26 JULY 2016

PRESENT

County Councillor W B Thomas (Chair)

County Councillors R G Brown, M R Harris, S M Hayes, E A Jones, W T Jones,
W J T Powell and E A York

In attendance: County Councillors KW Curry, AW Davies, SC Davies, CJ Gibson-
Watt, DR Jones, EM Jones, JR Jones, DW Meredith, JG Morris.

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| 1. | APOLOGIES | C135- 2016 |
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Apologies for absence were received from County Councillor J H Brunt and from County Councillor MR Harris for the start of the meeting.

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| 2. | MINUTES | C136- 2016 |
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The Chair was authorised to sign the minutes of the last meeting held on 5th July 2016 as a correct record.

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| 3. | DECLARATIONS OF INTEREST | C137- 2016 |
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There were no declarations of interest reported.

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| 4. | UPDATE FROM THE ANTI-POVERTY CHAMPION | C138- 2016 |
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County Councillor Joy Jones, the Council's Anti-Poverty Champion, gave an update to the Cabinet of the work being undertaken by the Anti-Poverty Working Group and related some of the instances of poverty endured by individuals she had met in the course of her work. She had found that very often people did not know where to turn to for help. The Working Group were looking to develop a directory giving details of various agencies people could go to for help. The Cabinet agreed that this was a good idea and thanked Councillor Jones and the Working Group for their work.

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| 5. | BRECON HIGH SCHOOL FINANCIAL MANAGEMENT | C139- 2016 |
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Cabinet considered the budget position of Brecon High School. The budget deficit was projected to rise as pupil numbers fell and the Governing Body had been asked to submit a recovery plan. The Schools Service had commissioned a former Headteacher to review the budget and curriculum and he had found that that in 2014/15 its funding placed it 18th of 22 secondary schools in Wales in the 601 to 700 pupil number bracket. His conclusions were set out in the report but in summary he had judged that the savings proposed would not be sufficient to cover the deficit. A further independent review had been

commissioned with a view to identifying realistic efficiencies that could be made without adversely impact on standards and progress being made to being removed out of the category of special measures.

County Councillor David Meredith spoke as the Chair of Governors and asked for the school to be given more time to produce a recovery plan as the second review would not take place until the first week in September. The Portfolio Holder for Education indicated that he was content for the recovery plan to be submitted by 23rd September with a view to it being considered by Cabinet on 4th October.

The Chair of the People Scrutiny Committee argued that the Schools Service and Cabinet should be intervening sooner when schools failed to produce balanced budgets as recovery became more difficult as debts mounted.

Members agreed that there needed to be more information about the underlying causes of the deficit and for progress on school modernisation as the projections were for more schools to go into deficit as pupil numbers fell. There was some criticism of the schools fair funding formula although it was pointed out that this was revised regularly in consultation with head teachers.

| RESOLVED: | Reason for Decision: |
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| <ol style="list-style-type: none"> 1. That the report is noted. 2. That the School must submit their recovery plan by 23rd September 2016. 3. That the School must collaborate in further independent review of budget, curriculum planning and identification of efficiencies. 4. That Cabinet to consider the findings of the independent review. 5. That should the school not comply with 2 and 3 above the Authority may invoke powers of intervention. | <p>That an appropriate budget plan is submitted by the school;</p> <p>And to ensure that the school has a financial basis on which to ensure that the school continues to progress the recommendations for improvement.</p> |

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| 6. | YSGOL CEDEWAIN FINANCIAL MANAGEMENT | C140- 2016 |
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Cabinet considered the budget position of Ysgol Cedewain which had failed to set a balanced budget. In order to assist the school, the schools service had commissioned the support of a Headteacher who had many years' experience as a Special Schools Headteacher to assist the school in reviewing their budget plan.

County Councillors Gemma Bowker and Michael Williams, who were Governors at the school, welcomed the support being offered but also noted that 91% of costs were staff related and the need to maintain safe staffing levels. They also noted the difficulties of the school site with 10 different buildings separated by a road.

The Portfolio Holder for Education explained that there would be a further report to Cabinet once the review had been carried out and Members requested that this provide more in depth analysis of the underlying causes of the budget deficit. Members acknowledged the excellent work being undertaken by the school and the difference that it made to families.

| RESOLVED | Reason for Decision |
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| That the report is noted and a further report is provided by the 27th September outlining the findings of the work commissioned as set out in section 3 of the report and any actions. | That an appropriate budget plan is submitted by the school; And to ensure that the school has a financial basis on which to ensure that the school continues to progress the recommendations for improvement. |

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| 7. | CONTAMINATED LAND STRATEGY | C141- 2016 |
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Cabinet considered the third edition of the Contaminated Land Strategy which had been revised in light of revised legislation and guidance. The Senior Manager Regulatory Services agreed to let the Chair of the Place Scrutiny Committee have details of the potential sites identified on the Council's database, although he did confirm that there was only one site in the county designated as contaminated.

Subject to references in the document to the Countryside Council for Wales being replaced by Natural Resources Wales it was

| RESOLVED | Reason for Decision: |
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| That the revised Contaminated Land Strategy in Annex A to the report be approved. | To ensure that the Strategy is current and in compliance with Welsh Government Contaminated Land Statutory Guidance. |

County Councillor MR Harris arrived at 2.55 pm.

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| 8. | TENANCY MANAGEMENT POLICY | C142- 2016 |
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Cabinet considered a Tenancy Management Policy for Powys which was intended to ensure consistency across the county. The Head of Housing was asked whether there were common tenancy arrangements with other

registered social landlords and he advised that these would be introduced at a later date with Housing Associations.

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| RESOLVED | Reason for Decision: |
| To approve the Tenancy Management Policy for Council Housing in Appendix A of the report. | The policy formalises current good practice and ensures consistency across Powys. |

County Councillor RG Brown abstained having missed part of the debate.

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| 9. | TRADING STANDARDS INVESTIGATION COSTS - OPERATION GLEAM | C143- 2016 |
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Cabinet was asked to consider making a virement in respect of legal costs incurred in bringing a successful prosecution by Trading Standards against rogue traders found operating at the Royal Welsh Show in 2013. A virement was necessary to cover legal fees pending an order from the Crown Court to recover costs from the defendants. Members congratulated Trading Standards for securing the conviction and protecting consumers. Members asked whether the WLGA should be approached with a view to setting up a fund that would support any local authority should they face a similar prosecution case and the associated costs.

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| RESOLVED | Reason for Decision |
| <ol style="list-style-type: none"> 1. To approve virement of £404,000 from reserves to enable payment of external legal bills. 2. That reserves are repaid the sum of £404,000 as a first call on any monies received from the Defendants for costs and Proceeds of Crime Act. | The council has supported the prosecution of this case as being in the public interest. Costs incurred will be claimed back via the court process. |

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| 10. | PENSION FUND ISSUES FOR TUPE TRANSFERS | C144- 2016 |
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Cabinet considered a policy for pension arrangements for staff transferred under TUPE so that prospective tenderers for services were clear on the Council's policy.

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| RESOLVED | Reason for Decision: |
| To approve the policies set out in the policy document | To improve the efficiency of commissioning processes that involve staff transfers. |

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| 11. | ELECTED MEMBERS TRENT SELF SERVICE UTILISATION | C145- 2016 |
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The Portfolio Holder for Finance explained that additional expense was incurred when members submitted written claim forms rather than using the

Trent self service system as officers had to input the information. He also advised that Members did not have to submit receipts with claims but were required to keep them for audit purposes. He was therefore proposing that all members be required to use Trent, with allowances made for two members who did not use computers. Training would be provided for Members at the Shire meetings in September. County Councillor Sandra Davies, the Chair of the Democratic Services Committee, advised that the Committee had supported this approach. The Portfolio Holder for Finance agreed to look into whether Members could opt to have a paper pay slip.

| RESOLVED | Reason for Decision |
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| <ol style="list-style-type: none"> 1. To require all elected members to migrate to the Trent self-service electronic system for the purpose of claiming expenses and for receiving their payslips/earnings statements, following the appropriate training being provided. 2. That all members elected to Council in May 2017 are also required to use the Trent self-service system for the above functions and are provided with the required training as part of their induction programme. 3. That all lay members able to access Trent be required to submit their expenses on the system. | <ul style="list-style-type: none"> • To utilise the most cost effective method of receiving a pay advice and P60 saving on postage, printing and stationary. • To eradicate duplication of input and realise staff/resource savings. |

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| 12. | RESPONSE TO SCHOOLS SCRUTINY REVIEW GROUP REPORT | C146- 2016 |
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Cabinet received the Portfolio Holder for Education's response to the report of the School's Scrutiny Review Group.

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| 13. | POWYS SAFEGUARDING CHILDREN AND ADULTS QUARTERLY UPDATE | C147- 2016 |
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Cabinet received the quarterly safeguarding report for Children and Adult Services and was introduced to Karen Arthur the newly appointed Adult Safeguarding Lead Manager. Cabinet was briefed on the regional and local operational arrangements. Cabinet was advised that all agencies have a legal duty to share information where there are any concerns in relation to a child or

an adult at risk. In addition as part of preparations for the new Community Care Information System information sharing protocols were being revised with Powys Teaching Health Board in order that both organisations can 'go live' with the new system at the end of November 2016.

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| RESOLVED | Reason for Decision: |
| That Cabinet accepts the safeguarding update in line with its safeguarding responsibilities. | Safeguarding is everyone's business and this report provides assurance to Cabinet of work that is underway both locally and regionally on important safeguarding matters. |

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| 14. | REVIEW OF DAY TIME ACTIVITIES FOR OLDER PEOPLE INCLUDING DAY CENTRES | C148- 2016 |
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The Portfolio Holder for Adult Social Care explained that he was seeking approval to go out to consultation on the options for Day Time Activities for Older People including day centres. Whilst acknowledging the high regard in which communities held their day centres, he pointed out that currently there was not an equitable service in the county as not every community had access to a day centre.

The service would consult on three options:

- To not close any of the existing services and to continue as is.
- To close all day centres including 3rd sector provision with effect from March 2017 (but excluding Westwood in Welshpool), and to ensure any clients who have assessed need will be found / offered alternative existing services available to adult social care such as domiciliary care.
- To take a phased approach to decommissioning all existing provision (except for Westwood in Welshpool) whilst developing a new home support and befriending model using different funding streams so that closure and the phasing in of the new model align up to March 2019.

The option favoured by the service was a phasing out of day centres and a move towards a locality based early intervention and prevention service. The Portfolio Holder explained that the Social Services and Wellbeing Act had placed an obligation on local authorities to focus on prevention and delaying the need for care. This model would help the authority meet the challenges of demographic change as well as the savings target set in the Medium Term Financial Strategy. The Portfolio Holder pointed to examples of good practice such as the Powys Befriending Scheme in Crickhowell and Rhayader Home Support and explained that the service was looking to work in co-operation with the third sector.

County Councillor E Michael Jones, who declared a personal non pecuniary interest as a non-remunerated director of the East Radnor Day Centre, and County Councillor Joy Jones spoke in favour in retaining their respective day centres in East Radnor and Newtown. Councillor Joy Jones questioned the

funding given to Welshpool Town Council in respect of the Westwood Day Centre.

The Chair of the People Scrutiny Committee said that Scrutiny would play its part by considering the proposals. He said that the Council was not in a position to do everything and that it needed to work with volunteers and the third sector. He asked for information on the funding available in each area to be provided.

In answer to Members' questions, the Portfolio Holder confirmed that respite care would be built into any new model.

| RESOLVED | Reason for Decision |
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| <p>1. That Cabinet provide approval to go out for consultation, following the Listen and Learn exercise already completed, in order to seek the public's view on all three options and in line with the advice and guidance of the Consultation Institute.</p> <p>2. That Cabinet notes the issues outlined for each of the three options in the report and acknowledges that the financial risks will require further work to be done on the impact and implications of each option to the MTFS in order to help Cabinet form a decision on how to proceed following the public consultation process.</p> | <p>1. To ensure that Cabinet receives the views of the public in relation to the 3 options in order to support them in making an informed decision.</p> <p>2. That Cabinet is assured that plans to cover the identified costs are in place ready for when they make their final decision following public consultation</p> |

County Councillor MR Harris abstained having missed part of the debate.

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| 15. | JOINT PARTNERSHIP BOARD | C149- 2016 |
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Cabinet received the minutes of the meetings of the Joint Partnership Board held on 14th March and 20th June 2016.

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| 16. | CORRESPONDENCE | C150- 2016 |
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The Portfolio Holder for Adult Social Care reported his concern that the position of lead member for Scrutiny of Adult Social Care had been vacant for some time and that this was reducing the amount of scrutiny of Social Care. The Chair of the People Scrutiny Committee shared his concern and would look to have the place filled.

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| 17. | DELEGATED DECISIONS TAKEN SINCE THE LAST MEETING | C151- 2016 |
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Cabinet received detailed of delegated decisions taken by Portfolio Holders since the last meeting.

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| 18. | FORWARD WORK PROGRAMME | C152- 2016 |
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Cabinet received the forward work programme.

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| 19. | RESPONSE TO FINANCE SCRUTINY PANEL REPORT ON THE MEDIUM TERM FINANCIAL STRATEGY | C155- 2016 |
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Cabinet received the response to the Finance Scrutiny Panel report on the Medium Term Financial Strategy. The Chair of the Finance Scrutiny Panel was concerned that the savings set out in the MTFs would not be delivered and that some of the responses did not tie in with the quarterly budget outturn reports. He also reported the Panel's view that standards in education were not improving.

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| 20. | RESPONSE TO FINANCE SCRUTINY PANEL REPORT ON THE BUDGET ASSUMPTIONS | C156- 2016 |
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Cabinet received the response to the Finance Scrutiny Panel report on the budget assumptions. The Portfolio Holder for Finance explained that he could not recommend that the Council work on a 5 year budget. The Chair of the Finance Scrutiny Panel highlighted the importance of impact assessments and the risks of overspending by the services.

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| 21. | COMMUNITY DELIVERY FUNDING ARRANGEMENTS FOR WELSHPOOL TOWN COUNCIL | C157- 2016 |
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Cabinet received details of a proposed funding arrangement with Welshpool Town Council for the delivery of the grounds maintenance and street cleaning service by the Town Council. Cabinet had recently agreed to fund 45% of direct delivery costs, which equated to a sum of £17,774 per annum in respect of grounds maintenance and street cleaning in Welshpool. Welshpool Town Council had asked for the funding to be linked to income from the three car parks in Welshpool. £17,774 equated to 11% of the car parking revenue in 2015/16. It was confirmed that this arrangement was open to other Town and Community Councils to apply for.

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| RESOLVED | Reason for Decision: |
| 1. To support the proposed methodology set out in section 2 | 1. If supported, these arrangements will enable the |

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| <p>of the report, for the calculation of the annual funding which will enable the delivery of the grounds maintenance and street cleaning services to transfer from the Authority to the Town Council.</p> <ol style="list-style-type: none"> 2. As shown in the example in section 2 of the report, the funding would be based initially on 11% of the 2015/16 revenue from the three car parks in Welshpool. 3. The funding will be reviewed in three yearly blocks and the new starting point for each three year block would be based on the figure calculated from the average of the revenue from the three car parks, based retrospectively on the previous three years as shown in 'section 2. Proposal' of this report. 4. To maintain the review at the fifth year of the full content of the Service Transfer Agreement as proposed and agreed previously by Cabinet. 5. To allow the Town Council to have the first years payment in full, commencing from the 1st October 2016, to enable them to set up and implement the service delivery. | <p>Authority and the Town Council to progress the community delivery ethos with regard to the transfer of the delivery of the grounds maintenance and street cleansing services to Welshpool Town Council.</p> <ol style="list-style-type: none"> 2. The methodology used for the calculations as explained in the main body of the report, will enable what has been a long and detailed negotiation process to come to fruition. 3. Reviewing the funding in three yearly blocks will correlate with the Authorities three yearly review of service budgets. 4. Maintaining the review at the fifth year of the Service Transfer Agreement supports the auditing requirements for the Authority and maintains a fair and consistent approach. 5. The Town Council have identified set up costs for resource and equipment and will rely on the full funding for the first year to assist with this. |
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County Councillor WT Jones left the meeting at 5.40 p.m.

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| 22. | EXEMPT ITEMS | C153- 2016 |
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RESOLVED to exclude the public for the following items of business on the grounds that there would be disclosure to them of exempt information under category 3 of The Local Authorities (Access to Information) (Variation) (Wales) Order 2007).

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| 23. | OUTLINE BUSINESS CASE FOR A CENTRAL FLEET WORKSHOP | C154- 2016 |
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Cabinet considered a report on proposals to establish a central fleet workshop.

The Leader advised that he had received an email from County Councillor Gary Price in respect of this report advising that he had not been consulted as

a local member. The Leader asked for an assurance that all relevant local members would be consulted. In order that local members would have an opportunity to make representations, it was proposed that instead of the detailed business case being approved by Portfolio Holder delegated decision it would come back to the Cabinet for approval.

The Cabinet discussed the potential for collaboration with other public bodies, particularly Mid and West Wales Fire and Rescue Service including capital and revenue contributions.

| RESOLVED | Reason for Decision: |
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| 1) To enter into negotiation for the purchase of a site readily accessible by heavy vehicles suitable for the construction of a modern Fleet workshop with appropriate parking and security. To commence during 2016/17 with approval from the Portfolio Holder for any proposed changes. | To make savings as required under the Medium Term Financial Strategy, maximise the efficiency of vehicle and plant inspection, maintenance and repair. |
| 2) To progress the design of and develop appropriate proposals for a new building and site works, including the gaining of appropriate Planning consents. To commence during 2016/17 with approval from the Portfolio Holder for any proposed changes. | To enable the above |
| 3) To enter into and ultimately conclude negotiations with Mid and West Wales Fire and Rescue Service for a joint Fleet workshop building to be operated in the long term and to which the MWWFRS makes a financial contribution proportional to its requirements. To commence during 2016/17 with approval from the Portfolio Holder for any proposed changes. | To enable the significant costs of the project to be shared |
| 4) To complete a detailed business case for the project for approval by the Cabinet before a purchase of the proposed site takes place and before the workshop construction works are commenced. | To ensure that when the current project variables are determined that the business case is viable and will deliver the necessary revenue savings. |

County Councillor W B Thomas (Chair)

C161- 2016

CYNGOR SIR POWYS COUNTY COUNCIL

CABINET 30th August 2016

REPORT AUTHOR: County Councillor Wynne Jones
Portfolio Holder for Finance

SUBJECT: Icelandic Update

REPORT FOR: Information

1. Summary

- 1.1 This report updates members on the position in respect of the Icelandic bank deposits.

2. Background

- 2.1 Cabinet are aware that this Authority had £4m in Icelandic banks. This amount was held in two separate banks with £2m in Glitnir and £2m in Landsbanki. Cabinet will be aware that this has been a long and complicated issue requiring considerable work to assess options and ensure the Council's position is protected. The unprecedented events affected numerous local authorities and national bodies such as the Audit Commission that held deposits with Icelandic Banks.

3. Landsbanki

- 3.1 The Landsbanki situation was concluded in 2013/14.

4. Glitnir

- 4.1 The winding up board of Glitnir made a full distribution to creditors in various currencies in March 2012. An element of this was in Icelandic Kroner (ISK) which was placed in an escrow account in Iceland. This means that the money is held in respect of the Creditor and cannot be accessed for any other purpose.
- 4.2 Cabinet will be aware that Creditors were unable to access their escrowed ISK until either (a) the Central Bank of Iceland approved the requests which were made by the winding-up boards (WUBs) to exempt the escrowed ISK from the capital controls in place so that the ISK could be paid from the escrow accounts to each individual Creditor i.e. into an ISK account in each creditor's name or (b) the capital controls were lifted. The Icelandic government had announced that it was taking steps towards (b).
- 4.3 **Currency auction 2015:**
One of these steps was a currency auction being held by the Icelandic government in February 2015.

- 4.4 The currency auction represented a good opportunity for Creditors to exchange (for EUR) a substantial portion, if not all, of their escrowed ISK. Creditors could set their offer price at the level of their choice and their ISK would only sell if the offer price was at or below the price set by the Central Icelandic Bank on the day of the auction.
- 4.5 The auction took place on 10th February 2015 and a number of creditors sold their escrow but this did not include ourselves or the other two Welsh authorities involved, as the price did not meet our requirement.
- 4.6 **Deutsche Bank offer:**
A briefing regarding this was issued by the advisors on 30th March 2015 to those creditors who had not sold at the currency auction.

On 2nd June 2015 the advisors issued an update in respect of an announcement from the Icelandic Government which gave some details of how they were going to take things forward in respect of ISK, the lifting of capital controls, etc. This authority raised a query with the advisors as did other authorities and this resulted in a telephone conference call on 8th June followed by an email update on 9th June.

The result of this was as follows:-

- (i) The circa 35% stability tax proposed by the Icelandic Government would not be applied to escrowed ISK
- (ii) The Icelandic government's announcement regarding "premium" to be paid by "offshore" ISK holders was a reference to the discount that ISK holders will have to accept if they convert their ISK to FX via a currency auction which the Central Bank of Iceland will be arranging. The other two options are investing the ISK in Iceland (through long term Treasury bonds) or depositing the money in a non-interest bearing current account which will have restrictions on it (it is not clear what these will be).

It was indicated that the non-bearing interest account would be forced on ISK holders who did not pursue the auction or long-term investment options.

The Icelandic advisors said that owners of escrowed ISK were not expressly included in these plans but they expected that this didn't necessarily mean that the plans wouldn't apply to holders of escrowed ISK). Deutsche Bank interpreted the announcement as covering ISK holders.

The UK advisors' view was that it would be very surprising if holders of escrowed ISK did not have to pay some form of premium for converting their ISK. However, no further information clarifying the situation was anticipated in the short term.

Although, via a sale to Deutsche Bank, the authority would have recovered just over 96% of the original amount deposited in Glitnir, the sale would have resulted in a cash loss at the time to the Authority of circa £179k due to the amount physically received not meeting the balance held in the ledger. This balance reflects the original amount in Escrow updated each year in respect of the interest paid.

Based on all the facts above, it was decided not to proceed with the sale to Deutsche Bank. The other two Welsh authorities did proceed to take part.

4.7 Currency Auction 2016:

Following legislation passed by the Icelandic government on 22nd May 2016, we were made aware that this had brought about a Central Bank of Iceland (CBI) announcement that a currency auction would take place on 16th June. This was the final opportunity for holders of ISK to take part in an auction.

For those who did not sell their ISK in the auction there would be the entitlement to exchange this with the CBI up until 1st November 2016 at a rate of 220 ISK/Euro 1 or, if this was not done, the ISK would be automatically transferred to a deposit account where interest would be applied at a rate of 0.5% initially. There was no information available as to what options there would be in the future to access this ISK or on what timescale.

The auction prices were based on the volume of ISK offered for sale and ranged between 210 and 190 (190 being the best). There was the option to set a reserve price if required.

The options details above were most certainly geared towards encouraging ISK holders to take part in the auction.

Calculations carried out by Finance confirmed that all of the auction prices on offer would return a better result than the 2015 currency auction and the Deutsche Bank purchase of claims. They would also return a better result than the exchange with the CBI option on offer.

Based on the above information, the Authority proceeded to take part in the auction and the result of this was that the best price of 190 was achieved.

As payment was going to be made in Euros the Authority would be subject to accepting the exchange rate on the date of payment if received into a GBP account. Payment date was due to be circa 29th June whereby the Euro/£1 exchange rates may have been detrimentally affected by the referendum on 23rd June. As such, it was agreed to open a Euro account with HSBC which allowed receipt of the payment whilst leaving the Authority in control of when it is transferred to GBP.

Payment was received in the Euro account on 30th June. Officers are now monitoring the exchange rate in order to achieve the most advantageous GBP outcome for the Authority. Cabinet will be informed of any update to the situation when relevant.

This is clearly a good overall result to the long standing situation with regards to the ISK in escrow. The settlement is now in a bank account held by the Authority within the UK and there will be no further legal/advisory costs. The Authority retains control regarding the exchange rate.

It is proposed that this update Report is received.

Statutory Officers

The Strategic Director – Resources (s151 officer) has made the following comment:

As indicated in the report this is clearly a good overall result to the long standing situation with regards to the ISK in escrow. It is also worth noting that the settlement is now in a UK bank account held by the Authority and no further legal/advisory costs will be incurred. The Authority retains control about the timing when it converts the amount in Euros to sterling.

The Solicitor to the Council (Monitoring Officer) has made the following comment:

I have nothing to add to the report.

Future Status of the Report

N/A

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| Recommendation: | | Reason for Recommendation: | |
| That the Icelandic Banks Update Report be received | | Update report agreed by Portfolio member | |
| Relevant Policy (ies): | | Treasury Management Policy | |
| Within Policy: | Y | Within Budget: | N/A |
| Person(s) To Implement Decision: | | N/A | |
| Date By When Decision To Be Implemented: | | N/A | |
| Contact Officer Name: | Tel: | Fax: | Email: |
| Ann Owen | 01597 826327 | 01597 826290 | ann.owen@powys.gov.uk |

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