



SPECIAL CABINET

MINUTES OF THE MULTI-LOCATIONAL MEETING HELD AT PENALLTA HOUSE AND VIA MICROSOFT TEAMS ON TUESDAY 27TH FEBRUARY 2024 AT 10AM

PRESENT:

Councillor S. Morgan – Chair

Councillors:

J. Pritchard (Cabinet Member for Prosperity, Regeneration and Climate Change), N. George (Cabinet Member for Corporate Services, Property and Highways), P. Leonard (Cabinet Member for Planning and Public Protection), C. Morgan (Cabinet Member for Waste, Leisure and Green Spaces), E. Stenner (Cabinet Member for Finance and Performance), C. Andrews (Cabinet Member for Education and Communities), S. Cook (Cabinet Member for Housing) and E. Forehead (Cabinet Member for Social Care).

Together with:

D. Street (Deputy Chief Executive), R. Edmunds (Corporate Director of Education and Corporate Services), M.S. Williams (Corporate Director of Economy and Environment) and G. Jenkins (Interim Director of Social Services).

Also in Attendance:

R. Tranter (Head of Legal Services and Monitoring Officer), L. Lane (Head of Democratic Services and Deputy Monitoring Officer), S. Harris (Head of Financial Services and Section 151 Officer), L. Sykes (Deputy Head of Financial Services and Section 151 Officer) and J. Thomas (Committee Services Officer).

RECORDING AND VOTING ARRANGEMENTS

The Leader reminded those present that the meeting was being live streamed, and a recording would be made available to view via the Council's website, except for discussions involving confidential or exempt items. [Click Here To View](#).

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from C. Harry (Chief Executive)

2. DECLARATIONS OF INTEREST

There were no declarations of interest received.

3. WHOLE-AUTHORITY REVENUE BUDGET MONITORING REPORT (MONTH 9).

Consideration was given to the report which provided Cabinet with details of projected whole-authority revenue budget expenditure for the 2023/24 financial year.

Cabinet noted that the projected underspend of £4.898m is much lower than reported in recent years and reflects the challenging financial environment the Council is currently facing. It was also noted that the approved 2023/24 revenue budget is underwritten through a one-off contribution from reserves of £15.345m and temporary savings totalling £6.862m.

Cabinet further noted there are a number of areas where overspends are projected and that the more significant of these have been prioritised for review through the Mobilising Team Caerphilly Transformation Programme. These reviews will initially focus on opportunities to contain costs within existing budgets and will then explore on opportunities to make savings wherever possible.

Following consideration, it was moved and seconded that the recommendation in the report be approved and by way of Microsoft Forms and verbal votes this was unanimously agreed.

RESOLVED that for reasons contained within the Officers report the content of the report be noted.

4. UPDATE ON RESERVES.

Consideration was given to the report which presented Cabinet with details of the usable reserves held by the Authority and sought Cabinet approval or endorsement of recommended movements on reserves as appropriate.

Cabinet noted that an update on reserves was presented to the Joint Scrutiny Committee on the 23rd of January 2024, and that since then there have been a number of changes which are outlined in paragraph 5.7 of the report. The most significant change is an additional sum of £835k that Caerphilly CBC will receive in the 2024/25 Final Local Government Financial Settlement as a result of £25m of consequential funding provided to WG by the UK Government. Cabinet noted that this will reduce the planned call on reserves to help balance the 2024/25 budget.

Cabinet was reminded that the 2023/24 revenue budget included a one-off call on reserves of £15.345m and that a further call on reserves of £10.624m is proposed for 2024/25. It was emphasised that whilst this approach provides the much needed breathing space to develop savings proposals under Mobilising Team Caerphilly, it is not a sustainable option in the medium to longer-term.

Following a query raised, the Head of Financial Services & Section 151 Officer advised Cabinet that it was a statutory requirement for the Housing Revenue Fund to be a ring-fenced account, which must be kept separate from General Fund Services.

Cabinet sought clarification on the function of the Empty Homes Team and the Deputy Chief Executive explained that throughout the county borough there are a surplus of vacant properties. The team identify these properties, and work closely with the owners to assist them in repurposing them back into use.

Cabinet sought clarification on what the self-insurance facility is used for. The Head of Financial Services & Section 151 Officer advised that the majority of insurance claims are settled from within the insurance reserve, with only sums above pre-determined excess levels being met by our external insurers. The levels of reserves are reviewed periodically by the council's external Insurance Brokers to ensure that there are sufficient funds to meet potential

liabilities. Following the latest review, there is sufficient capacity for £2m to be released to the General Fund to support the 2024/25 budget.

Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved and by way of Microsoft Forms and verbal vote this was unanimously agreed.

RESOLVED that for reasons contained within the Officers report:

1. The release of the following uncommitted reserves to the General Fund to support the 2024/25 Budget be endorsed: -
 - a. £3.719m from Other Earmarked Service Reserves
 - b. £0.017m from Over/Under Reserves
 - c. £2m from the Insurance Reserve.
2. A proposal to transfer 100% of the Net 2023/24 underspend position, forecast at £4.898m as at December 2023 to the General Fund be endorsed.
3. A proposal to allocate £0.791m from the Education Over/Underspend Reserve to a specific Earmarked Reserve for the 2023/24 Schools Additional Teachers Pay Award be agreed.
4. A proposal to repurpose £0.108m from Private Sector Housing Staff Capacity Reserve to Empty Homes Teams Reserve to increase funding so that the team can be extended for two years be agreed.

5. BUDGET PROPOSALS FOR 2024/25.

Consideration was given to the report which sought Cabinet endorsement of the 2024/25 budget proposals prior to the final determination by Council.

Cabinet noted that the final decision for the Budget Proposals for 2024/25 would be made at full Council on Tuesday 27th February 2024.

Cabinet recognised that the Mobilising Team Caerphilly transformation programme will be a key element in taking forward any changes required to ensure that the Authority is able to address the unprecedented financial challenges that it faces.

Cabinet further recognised that with a 6.9% rise in Council Tax, the Authority would be likely to have the lowest Council Tax level in Wales.

Cabinet was reminded that whilst a balanced budget is presented for the 2024/25 financial year, the situation moving forward remains extremely bleak with the updated Medium-Term Financial Plan indicating a further savings requirement of £45.213m for the two-year period 2025/26 to 2026/27.

Following consideration, it was moved and seconded that the recommendations in the report be approved and by way of Microsoft Forms and verbal vote this was unanimously agreed.

RECOMMENDED to Council that for reasons contained in the Officers report;

1. The revenue budget proposals for 2024/25 of £449.190m as detailed throughout the report and summarised in Appendix 1 be endorsed.

2. The proposed increases in charges for school meals in secondary schools, Meals Direct, and the Hive Restaurant along with the proposed increase in the fee for MOT testing as detailed in paragraph 5.5.5 be endorsed.
3. That 100% of the net projected underspend on the Council's 2023/24 revenue budget will be transferred into General Fund balances as outlined in paragraph 5.7.3 be agreed.
4. The movements on the General Fund in Appendix 4 and the projected balance as at 31 March 2024 of £14.126m be noted.
5. The proposed Capital Programme for the period 2024/25 to 2026/27 as set out in Appendix 5 be endorsed.
6. The proposal to increase Council Tax by 6.9% for the 2024/25 financial year to ensure that a balanced budget is achieved (Council Tax Band D being set at £1,446.37) be supported.
7. The indicative potential savings requirement of £45.213m for the two-year period 2025/26 to 2026/27 be noted.

The meeting closed at 10.25am

Approved and signed as a correct record subject to any corrections made at the meeting held on 3rd April 2024.