



Gloucestershire  
COUNTY COUNCIL

MINUTES of meeting of the Cabinet

Held on Wednesday 11 November 2015

**PETER BUNGARD  
CHIEF EXECUTIVE**

<b>Cabinet</b>	<b>Gloucestershire County Council</b>
<b>11 November 2015</b>	
<b>Minutes</b>	

## **PRESENT**

Cllr Mark Hawthorne	- Leader of Council
Cllr Ray Theodoulou	- Deputy Leader: Cabinet Member for Finance and Change
Cllr Dorcas Binns	- Older People
Cllr Paul McLain	- Children & Young People and Strategic Commissioning
Cllr Vernon Smith	- Highways & Flood
Cllr Kathy Williams	- Long-term Care
Cllr Will Windsor-Clive	- Fire, Planning and Infrastructure

### **1. Apologies**

Apologies were received from Cllr Andrew Gravells, Cabinet Member for Public Health and Communities.

### **2. Minutes**

The minutes of the meeting held on 30 September 2015 were agreed and signed as an accurate record of that meeting.

### **3. Declarations of Interest**

No declarations of interest were made at the meeting.

### **4. Questions at Cabinet Meetings**

#### **Public questions**

No public questions were submitted for consideration at this meeting.

#### **Member questions**

Please refer to the following link to view the responses to the member questions submitted for consideration at the meeting.

<http://glostext.gloucestershire.gov.uk/documents/s26789/Member%20questions%20and%20responses%20-%202011%20November%202015.pdf>

A total of 19 member questions were submitted for consideration, for which the following supplementary questions were asked at the meeting.

**Question 1:** Cllr Jeremy Hilton

You have failed to answer my question on how much in percentage terms the gate fees have risen in the negotiations on the revised project plan. Your answer states savings of £153 million, when you previously stated this would be £190 million, down by £37 million. This is a financial disaster for the council. We could have built an MBT Plant cheaper than £37 million. On a previous occasion the Chief Executive told me what the gate fees would be for the revised project plan. By the end of today, could you please provide me with a written note on what the gate fees will be and what we will be paying per tonne?

**Response by:** Cllr Ray Theodoulou – Cabinet Member for Finance and Change

You know I cannot give you this information as it is subject commercial confidentiality.

**Response by:** Cllr Jeremy Hilton

It is disappointing you are unable to confirm what the gate fees will be. We have a right to know. I will be calling in this decision for failing to provide the information.

**Question 2:** Cllr Jeremy Hilton

Your figures show a cash injection of £30 million (£13 million plus £17 million). This will only reduce the project costs over 25 years by the same sum of £30 million. Surely, this is a reckless use of public money. We could get a better return of our money over 25 years by just leaving £30 million in the bank. Please justify this cash gift of £30 million of public money to the private company UBB.

**Response by:** Cllr Ray Theodoulou – Cabinet Member for Finance and Change

There is no question of paying a cash gift to a private company. Construction costs have escalated over time, and because of the delays it has been necessary to inject further funds.

**Question 3:** Cllr Jeremy Hilton

There must be a long list of capital projects your cabinet colleagues would like to start, but are unable to because you are blowing £30 million on a cash gift to UBB. For example, in Avonmouth, four councils built a MBT plant with greater capacity than your mass burn incinerator, for just £25 million. When will you apologise to your cabinet colleagues and the members of this council for squandering council reserves by such reckless spending?

**Response by:** Cllr Ray Theodoulou – Cabinet Member for Finance and Change

It is not reckless spending. The project will give substantial benefits to the people of Gloucestershire by diverting 92 per cent of residual waste from landfill. The project will also avoid the production of harmful methane gas. This profitable project will yield £153 million savings.

**Question 4:** Cllr Jeremy Hilton

You are really struggling with his portfolio. In June you said you were 'quietly confident' you could get the overspend down. The overspend has now snowballed to £9.3 million. You are using one off money to bring this down. A £9.3 million overspend carried forward into next year could mean a Council Tax increase of nearly 8 per cent or cuts in other vital frontline services. I therefore ask you, will you resign if you fail to bring your budget, as set by council in February, back into balance by the end of this financial year?

**Response by:** Cllr Dorcas Binns – Cabinet Member for Older People

No. I think this is the last thing that is needed. We continue to look after our people as best we can. With the measures in place, (outlined on pages 54 and 55 of the decision report), I am still quietly confident the overspend will be reduced. This is not an easy task, particularly with the large number of people involved, and with an ageing population. It is not only this council with such issues, this is a nationwide concern.

**Question 5:** Cllr Jeremy Hilton

We only have five years to increase recycling to 60 per cent. At last week's Environment and Communities Scrutiny Committee meeting it was reported that you will have to increase our recycling rate by a further 13 per cent by 2020. Bearing in mind the incinerator will burn and not reuse or recycle household waste, how will you achieve the objective target of 60 per cent in five years?

**Response by:** Cllr Ray Theodoulou – Cabinet Member for Finance and Change

As reported at Joint Waste Committee meetings, district authorities are working hard to improve recycling rates. There has been a modest increase, and a number of programmes have been put in place to achieve this. There are some areas where this is difficult to achieve, primarily in urban areas such as Gloucester, and in Stroud, where a programme has been put in place to improve the historically low recycling rates. The districts are doing their best, and we are doing everything we can to encourage them.

**Question 8:** Cllr Lesley Williams

Can you confirm the purpose of Electronic Call Monitoring will be for missed visits, not time spent on visits.

**Response by:** Cllr Dorcas Binns – Cabinet Member for Older People

I was a little disappointed to receive these detailed questions. There have been a lot of discussions, including discussions at Shadow Member meetings, where Cllr Kathy Williams and I, along with council colleagues spoke at length about on Electronic Call Monitoring, (ECM). I am sorry you were not briefed after the Shadow Member meetings and will be happy to meet you outside this meeting to update you. There is nothing sinister about the proposal. It has been a very open and transparent process.

**Response by:** Cllr Lesley Williams

I appreciate and welcome this invitation. In the meantime, could I ask if you have seen how it works?

**Response by:** Cllr Dorcas Binns – Cabinet Member for Older People

I am going to see how the system works next week. I believe the system will provide huge benefits for the council and I look forward to briefing you on my visit.

**Questions 15 and 16:** Cllr Steve Lydon

What are the opportunity costs of using these reserves? What other purposes could these reserves be used for, e.g. supporting front line services such as those with an overspend in adult social care? Surely this would be a better use of money.

**Response by:** Cllr Ray Theodoulou – Cabinet Member for Finance and Change

These reserves are capital reserves for use with capital projects. They can't be used for revenue purposes.

**Question 17:** Cllr Steve Lydon

Negotiation means having endeavoured to reach agreement. What is to stop UBB holding the council to ransom? What figure is the council prepared to go to?

**Response by:** Cllr Ray Theodoulou – Cabinet Member for Finance and Change

Our aim is to negotiate to the best possible position, for which there are lines we won't move beyond. We have not reached these lines. Discussions are ongoing.

**Question 18:** Cllr Steve Lydon

Is this not smoke and mirrors? Why not put to the vote at full council? Surely this would be in the best public interest?

**Response by: Cllr Mark Hawthorne – Leader of Council**

In accordance with the Local Government Act, the powers of Council and the powers of the Executive are quite different. In legal terms, the decision at item 8 of the agenda falls within the remit of the Cabinet (Executive) of this authority.

**Question 19:** Cllr Steve Lydon

It defies logic that, bearing in mind the pressures front line services are under, the Conservative administration is still prepared to use scarce reserves for a project that has been rejected by surrounding districts and parishes. Many of us would like to see what other projects the £17 million could have been used for.

**Response by: Cllr Ray Theodoulou – Cabinet Member for Finance and Change**

I know of no such projects.

**5. Overview and Scrutiny Task Group Report**

Cllr Tracy Millard, Chair of the Recruitment and Retention of Children's Social Workers Scrutiny Task Group, presented the task group's recommendations following its review of issues relating to the recruitment and retention of children's social workers.

Cllr Millard thanked colleagues, officers and social workers for their contributions and informed the meeting that the task group hoped to fulfil two objectives from the review, the first, to make recommendations from which the council can create a working environment to retain its social workers and make Gloucestershire a desirable place to work, and the second, to make recommendations for the council to recruit social workers from increased investment. Cllr Millard referred to the high regard in which social workers were held and the importance of recognising their achievements and successes. She confirmed that the task group would reconvene in January 2016 with the intention of furthering this discussion alongside development of the Draft Medium Term Financial Strategy.

Cllr Paul McLain, (Cabinet Member for Children, Young People and Strategic Commissioning), and Leader of the Council, Cllr Mark Hawthorne, thanked the task group for its work and agreed to consider the recommendations in full before making a detailed response, including confirmation of proposed actions.

Having considered all of the information, including known proposals and reasons for the recommendations, Cabinet noted the report and,

***RESOLVED to:*** -

*Produce a formal response to the task group's recommendations*

## **6. Gloucestershire's Draft Local Transport Plan Consultation**

Cllr Will Windsor Clive, Cabinet Member for Fire, Planning and Infrastructure, sought to commence public consultation on the Gloucestershire Draft Local Transport Plan 2015-2013.

Cllr Windsor Clive explained that the current plan had been adopted in 2011, based on the council's commitment to undertake a series of formal reviews in future years. The documents at Appendix A of the report represent the final stage of the first formal review, for which it was proposed public consultation commence on 20 November 2015 and end on 5 February 2016.

A range of updated transport policies and delivery priorities to be consulted on, setting out the basis for the council's long term approach to managing existing and increased transport demand in relation to projected housing development and accelerated economic growth for the period up to 2031. Members were advised that a number of historic schemes had been removed from the plan as they were no longer relevant. The revised document to assist with future funding bids.

Cabinet to consider the consultation report at its meeting in April 2016, followed by adoption of the Local Transport Plan by Full Council in June 2016.

Having considered all of the information, including known proposals and reasons for the recommendations, Cabinet

### ***RESOLVED to: -***

*Approve the Draft Local Transport Plan for an eleven week public consultation, using the material in Appendix A of the published report, between 20 November 2015 and 5 February 2016.*

## **7. Electronic Call Monitoring for Domiciliary Care Services**

Councillor Dorcas Binns, Cabinet Member for Older People, sought approval to introduce Electronic Call Monitoring across all externally commissioned domiciliary care services.

Cllr Binns informed members that the current domiciliary care contract was up for re-tender, and would be awarded in April 2016. She stated that the new contract would give the council an opportunity to extend the scope of the existing Electronic Call Monitoring (ECM) system, (currently used to monitor learning disability services), and include the monitoring of services to be provided under the new contract.

Outlining a number of benefits to the council, Cllr Binns explained how the new system would assist in processing payments to providers by the recording of the actual number of service hours being delivered, and not just the hours being commissioned.

Outlining the two options referred to in the report, Cllr Binns proposed that Cabinet agree option 2, and approve a full roll out of the system. The advantages of taking this option included the ability to undertake an audit of all services, and thus ensure delivery of the latest support plans, and the appointment of ECM officers to enable robust partnership working.

Having considered all of the information, including reasons for the recommendations, Cabinet supported the proposals and

**RESOLVED to: -**

- 1) *Approve the introduction of Electronic Call Monitoring across externally commissioned domiciliary care services in Gloucestershire, and*
- 2) *Authorise the Commissioning Director: Adults and DASS to conduct separate contract negotiations under the ESPO Framework, (in accordance with the rules of that framework and the Public Contracts Regulations 2015), to purchase provider licenses from CM2000 for a 7 year term. This will enable external domiciliary care service providers and internal Gloucestershire County Council staff to use the Electronic Call Monitoring System for the purposes of recording actual support worker visit detail within the domiciliary care contract.*

**8. Financial Monitoring Report 2015-16**

Cllr Ray Theodoulou, Deputy Leader and Cabinet Member for Finance and Change, gave an update on the year-end forecast for the 2015/16 Revenue and Capital Budgets before seeking agreement on several consequential decisions.

Cllr Theodoulou referred to the recommendations on pages 51 and 52 of the report and explained that he would be presenting the recommendations in two parts, the first, to concentrate on the 'housekeeping' elements of the report, including an update on the year end forecast for the 2015/16 Revenue and Capital Budgets, and the second, relating to the residual waste project.

Before considering the report, Leader of Council, Cllr Mark Hawthorne advised Cabinet that, if it should need to discuss the contents of the exempt information (Appendix A) that accompanied the report for this item, consideration would have had to have been given as to whether the press and public should be excluded from the meeting in accordance with Regulation 4(2)(b) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012. Cabinet confirmed that it was content to consider the report without making references to the exempt information.

Cllr Theodoulou reported an overall year end revenue forecast position of a £3.9 million over-spend, equivalent to 0.9 per cent of the net budget, (based on actual expenditure at the end of September 2015 and forecasts made in October 2015). Within this overall forecast, Cllr Theodoulou reported an over-spend of £4.3 million, (2.9 per cent of the net budget), in Adult Services, and £2.6 million, (2.6 per cent of the net budget), in Children and Families Services. Cllr Theodoulou explained that

the Adult Services forecast was dependent on the council making further cost savings, (to be delivered under the new management arrangements outlined in the report), and that a financial recovery plan had been put in place to offset potential increases in the number of children in care in Gloucestershire.

Having updated members on the current financial position, Cllr Theodoulou proposed a revenue contribution of £0.15 million from the Business Support Services Budget to support the Archives Capital Project, and a transfer of £0.3 million of approved capital grant funding to the Thrupp Primary School Project.

He also proposed a £17 million one-off contribution from the capital fund reserve to mitigate the cost of delays in the residual waste project. Cllr Theodoulou referred to some of the challenges the council had encountered since commencing the project 3 years ago, including escalation of costs attributable to the project through inflation.

Outlining two options from which to finance the costs, the first, to borrow money entirely from the banks, and the second, to use that part of the capital reserve not otherwise allocated for investment, Cllr Theodoulou recommended Cabinet take the second option. This would allow the council to reduce its overall borrowings and give the same rate of return as that required by the banks. At the end of the financial period, the energy to waste plant would revert to ownership by the County Council. In addition, the council would be investing in a scheme that would ultimately save, (by avoiding), costs to the extent of £153 million over 25 years, funds that could be otherwise used to support front line services, including care for the elderly and vulnerable children.

Other benefits include; diverting 92 per cent of unrecyclable household waste from landfill; avoiding the release of large quantities of toxic greenhouse methane gas into the environment; generating waste into renewable energy from which to supply the needs of 25,000 households; processing ash deposits from which to build roads and houses; producing industrial quantities of heat, for which the council had recently been awarded a £50,000 grant from the Department of Environment and Climate Change to fund mapping and feasibility studies to utilise heat for commercial means; providing employment for 300 people during the construction phase of the project, and employment for 45 people, including several apprenticeship schemes, post construction.

Noting health concerns about the effects of toxic emissions, Cllr Theodoulou advised cabinet that the council continued to follow the advice of Public Health England and its position that a well run and regulated modern municipal waste incinerator did not pose a significant risk to public health. He added that modern energy from waste plants met strict emission limit values as set out by the European Waste Incineration Directive.

Cllr Theodoulou stated that the £17 million contribution had been endorsed by the council's financial advisors, and had undergone a value for money assessment in accordance with HM Treasury guidelines from which the cabinet member was satisfied the project had met the required criteria.

In proposing the £17 million investment, and in response to questions considered earlier in the meeting, Cllr Theodoulou clarified that the Capital Fund was a revenue reserve set up to provide resilience against possible increased costs of current capital schemes and/or to fund new capital schemes. He explained that all reserves were 'revenue reserves', but that this particular reserve had been earmarked for capital purposes.

Leader of Council, Cllr Mark Hawthorne, spoke in support of the proposals and reinforced the need for the council to continue to make savings. He referred to the difficult financial challenges ahead, and the relevance of the government's forthcoming grant settlement announcement in December 2015. Speaking at length on the £17 million investment for the waste to energy project, Cllr Hawthorne reiterated the importance of this vital investment and refuted the large number of claims that offered alternative solutions.

Having considered all of the information, including known proposals and reasons for the recommendations, Cabinet

**RESOLVED to: -**

- 1) *Note the forecast revenue year end position as at the end of August 2015 for the 2015/16 financial year of a net £3.9 million overspend, and mitigating actions being taken.*
- 2) *Note the forecast capital year end position of a £4.9 million underspend for 2015/16, and recognises that this is the result of slippage in capital projects and that the total capital programme budget remains unchanged.*
- 3) *Agree a revenue contribution to capital from the Business Support Services Budget of £0.15 million to support the Archives capital project, which is largely funded from the Heritage Lottery Fund.*
- 4) *Agree £0.3 million of approved capital grant funding be transferred to the Thrupp Primary School project.*
- 5) *Approve a £17 million one-off financial contribution to the residual waste project, funded from revenue reserves to mitigate the cost of delay in the annual revenue budget for the project over 25 years.*
- 6) *Authorise the Director of Communities and Infrastructure to agree and sign the deed of variation restatement of the residual waste contract.*

**Leader of Council**

Meeting concluded at 10.45 am