



POLICY AND RESOURCES SCRUTINY COMMITTEE

MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH ON TUESDAY, 21ST JANUARY 2014 AT 5.00 P.M.

PRESENT:

Councillor H.W. David - Chair
Councillor Mrs J. Summers - Vice Chair

Councillors:

D.G. Carter, C.J. Cuss, Mrs D. Ellis, J.E. Fussell, C. Hawker, Ms J.G. Jones, G. Kirby, A. Lewis, C.P Mann, S. Morgan, R. Saralis, J. Taylor.

Cabinet Members:

G. Jones (Housing), K.V. Reynolds (Corporate Services).

Together with:

N. Scammell (Acting Director of Corporate Services and Section 151 Officer), S. Couzens (Head of Housing Services), P. Davy (Head of Programmes), G. Hardacre (Head of Human Resources and Organisation Development), C. Jones (Head of Performance and Property), G. North (Public Sector Housing Manager), N. Akhtar (Group Accountant), C. Forbes-Thompson (Scrutiny Research Officer) and R. Barrett (Committee Services Officer).

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor L. Binding, who had been involved in a car accident the previous evening. Members conveyed their best wishes to Councillor Binding for a speedy recovery.

Apologies for absence were also received from Councillors D. Rees and Mrs C. Forehead (Cabinet Member for HR and Governance/Business Manager).

2. DECLARATIONS OF INTEREST

There were no declarations of interest received at the commencement or during the course of the meeting.

3. MINUTES – 12TH NOVEMBER 2013 AND 4TH DECEMBER 2013

RESOLVED that the minutes of the Policy and Resources Scrutiny Committee meetings held on 12th November 2013 (minute nos. 1 - 15, page nos. 1 - 7) and 4th December 2013 (minute nos. 1 - 3, page nos. 1 - 8) be approved as a correct record and signed by the Chair.

With regards to the minutes of 4th December 2013, Members queried whether another special meeting of the Policy and Resources Scrutiny Committee would be held to discuss the long list of savings proposals. Officers clarified that there had been no special requests for further information regarding the savings proposals at that meeting and subsequently the need for a further meeting had not been identified by Members. One request had been received regarding a report on expenses expenditure for the Authority, which had been included on the agenda for that evening. The other point of note at the special meeting had been centred around the Telecare Upgrade but had been debated at length in the meeting. It was clarified that Officers were willing to provide additional verbal feedback if required. The Chair added that the last meeting had been very detailed and had resulted in unanimous agreement on a number of the savings proposals.

Members were also advised that further to the meeting of 4th December 2013, a report had been presented to Cabinet on 19th December 2013 regarding the savings proposals and that a further report would be presented to Cabinet on 29th January 2014. Officers clarified that there would be a further opportunity to ask questions regarding the savings proposals and that the consultation process was still ongoing.

Members requested a brief update on the Telecare Upgrade and were advised by the Chair to approach the Head of Housing Services on a separate occasion regarding this issue.

4. CALL-IN PROCEDURE

There had been no matters referred to the Scrutiny Committee in accordance with the call-in procedure.

5. CABINET REPORTS

There had been no requests for any of the Cabinet reports to be brought forward for discussion at the meeting.

6. REPORT OF THE CABINET MEMBER

Councillor K.V. Reynolds, Cabinet Member for Corporate Services, presented his report and referred to the recently released Williams Review, which reported on the future shape of Local Government in Wales. Discussions will take place over the next few months to address the significance of this report for the Authority.

Members were informed that the final special budget scrutiny meeting had taken place the previous evening, with the final draft budget report to be presented to Cabinet on 29th January 2014. The Scrutiny Committee were advised that this draft budget was still subject to further consultation and could therefore be subject to change depending on the outcome of the final consultations.

The Cabinet Member provided an update on the Living Wage increase, with news that on 29th January 2014, Cabinet would consider a report on backdating the increase to 1st November 2013. This decision would be subject to Council approval upon determination of the budget on 26th February 2014.

Members were also informed that construction of the mobile Customer First vehicle is nearing completion and it is anticipated that it will become operational in March 2014. Over the coming weeks it is intended for a visiting schedule to be circulated, with local Members from the relevant wards to be contacted.

REPORTS OF OFFICERS

Consideration was given to the following reports.

7. OUTLINE OF A MODEL FOR INCREASING AFFORDABLE HOUSING PROVISION

Colin Jones, Head of Performance and Property, presented the report, which outlined a model for delivering affordable housing on Council owned land and sought Members' views on proposals to progress a partnership for increasing housing supply within the county borough. Members were advised that Recommendation 9.1 of the report should refer to the Policy and Resources Scrutiny Committee and not the Regeneration and Environment Scrutiny Committee.

The report responded to CCBC's Local Housing Strategy, which established its commitment to increasing the supply of good quality affordable housing for the county borough. The Authority's Local Housing Market Assessment (LHMA) of 2007 identified a shortage of affordable housing, which has continued on an annual basis. Indications are that if the current trend continues, then there is a danger of insufficient market and affordable housing being delivered to meet the needs of residents.

Options to increase the supply of housing land included reviewing the local development plan, expediting planning applications, releasing land in the Council's ownership, and exploring other mechanisms to secure the release of land for housing to increase the housing land supply. The preferred option (Option 4) was to enter into a partnership for the delivery of new homes in the short to medium term, which would increase housing supply in the county borough and directly facilitate the development of additional affordable homes within the borough. Members were advised that if they were to approve the principle behind Option 4, then a supplementary report would be brought back to Cabinet as soon as practicable, with details of the proposed site(s), numbers of houses to be provided, expected returns and a description of success measures.

Discussion ensued and it was confirmed by the Head of Performance and Property that the proposal would make a positive difference to housing affordability in that a relationship had already been established with United Welsh Housing Association. It was also confirmed that negotiations would look to recover the full cost of land in the event of any subsequent sale, and that sustainability principles would be adhered to.

Following discussion on the content of the report, it was moved and seconded that the recommendations contained therein be adopted. By a show of hands, this was unanimously agreed.

RECOMMENDED to Cabinet that:-

- (i) the principle of entering into a Building Agreement (and subsequent sale or lease) for increasing the provision of affordable housing within the County Borough, in partnership with United Welsh Housing Association and the Seren Group, be approved;
- (ii) a further report be presented, as soon as practicable, with details of the proposed site(s), numbers of houses to be provided, expected returns and a description of success measures pursuant to paragraph 4.15 of the report;

- (iii) final approval of those detailed terms, for the purposes identified in the report, be delegated to the Head of Performance and Property Services, in consultation with the Head of Corporate Finance.

8. HOUSING REVENUE ACCOUNT CHARGES – 2014-2015

Graham North, Public Sector Housing Manager, presented the report, which detailed the proposed increased charges that are to be effective for the Housing Revenue Account in 2014-15, and sought Members' views on the proposed recommendations contained therein.

The report summarised the preparation of the Housing Revenue Account (HRA) budget and advised the Scrutiny Committee that the proposed increases were required to be determined and fully agreed by 17th February 2014, in order to meet the deadlines for advising tenants of increases in rents and other charges.

Members were advised that a rent increase of 4% was proposed in order to ensure the Council's business plan remains viable, and to prepare for the new Rent Policy in 2015/16. This would increase the current average rent by £3.12 to £81.14 (on a 48 week basis).

A comprehensive review of charges at sheltered complexes had also been undertaken, which proposed that the current weekly service charge be divided into a new support and non-support/service charge and that a 'banded' system be introduced for the support charge. This incorporated 3 separate levels of charges – bronze, silver and gold – with costs reflecting the varying levels of support provided. Tenants would be individually assessed to determine their banding level, and these changes would become effective from April 2014.

Changes were also proposed to the charges to the four sheltered housing schemes without communal facilities, the service charge and meal charges at Tredegar Court Extra Care Scheme, utility charges at sheltered complexes, guest room charges, charges at Ty Croeso, community alarm charges and garage charges.

Members discussed the proposed charges and following a request for further information in relation to the shortfall referenced in 4.1.2 of the report, Officers arranged for the information to be provided. Changes to utility charges at sheltered complexes were queried and the new arrangement for distribution of the charges was clarified. Members raised concerns that the proposed rent increase could result in some tenants becoming financially disadvantaged. Members also discussed garage charges and the amount of vacant garages in the Authority, including possible methods to reduce this amount.

Following discussion on the content of the report, it was moved and seconded that the recommendations contained therein be adopted. By a show of hands, this was agreed by the majority of Members present.

RECOMMENDED to Cabinet that:-

- (i) an average rent increase based on WG guidelines, be agreed at 4%, (£3.12) per property from April 2014;
- (ii) the variable service charge at sheltered complexes with communal facilities be set at £27.18 (bronze service), £29.58 (silver service), and £33.08 (Gold service) over a 48 week basis from April 2014, to include an alarm charge;
- (iii) the service charge in the four sheltered schemes without communal facilities be reduced to £10.00 over a 48-week basis from April 2014, to include an alarm charge;

- (iv) the service charge payable by residents of Tredegar Court be increased to £62.73 over a 48-week basis from April 2014;
- (v) the meal cost at Tredegar Court be increased to £34.52 based on a 48-week basis from April 2014;
- (vi) the utility charges in Sheltered Housing schemes where tenants share a communal meter will be recharged the actual cost retrospectively from September 2014;
- (vii) the guest room charge for sheltered housing complexes are not increased from April 2014;
- (viii) the charges at Ty Croeso to be determined at a later date by Officers;
- (ix) the community alarm charge for group scheme tenants who have not yet been decommissioned to remain at £3.10 based on a 48-week basis from April 2014. The community alarm charge for sheltered tenants will be included within the service charge as in (ii) above;
- (x) the garage charges for Council and non-Council tenants increase to £7.65 based on a 48-week basis from April 2014.

9. WHOLE-AUTHORITY REVENUE BUDGET MONITORING REPORT 2013/14

Nicole Scammell, Acting Director of Corporate Services and Section 151 Officer, presented the report, which provided information on the position of the whole-authority in respect of revenue budget monitoring for 2013/14. Detailed reports had been presented to Scrutiny Committees throughout the financial year, with consideration given to the expenditure and income trends in the first 8 months of the financial year. A projection was made of the likely outturn, with significant variations from budget commented upon.

The total projected revenue budget savings/underspends for the Authority were estimated to be £4,446,000, which included an underspend of £433,000 within Education and Lifelong Learning, a £1,395,000 underspend within Social Services, a £702,000 underspend within Environment and DLO/DSO's, a £1,019,000 underspend within Corporate Services, and a £897,000 underspend within Miscellaneous Finance. It was confirmed that the savings proposals presented at the recent special budget scrutiny meetings included budget realignment, which reflected the fact that service areas were under spending.

Following discussion on the content of the report, it was agreed that Members would continue to request Directors and Heads of Service to review expenditure and income trends in order to ensure annual budgets and in-year savings are achieved.

10. 6-MONTH PROGRESS UPDATE OF IMPROVEMENT OBJECTIVE 2 - CAERPHILLY PASSPORT PROGRAMME

Gareth Hardacre, Head of Head of Human Resources and Organisation Development, presented the report, which provided Members with an update of the Improvement Objectives relating to the Caerphilly Passport Programme.

Members were informed that progress on the Passport Programme is continuing well and viewed as a success for the Authority, with a large number of positive outcomes. 176 placements have been delivered across the 3 tiers of the programme from January 2013 to January 2014, and of these placements, 63% have gone on into employment or further education. 26 apprenticeship opportunities have been created for young people between 1st

April 2013 and 31st December 2013, above the European Social Fund (ESF) target of 25. There have also been 46 employment opportunities created for young people, above the target of 40 per year.

Members were advised that the Passport Programme had recently undergone an ESF Audit with a very successful outcome. An evaluation of the Programme is currently being undertaken by Wavehill Ltd and the Passport Programme has also been selected for an ESF National Team Audit in Spring 2014. Future developments include meeting with other authorities and groups in order to explore the regional opportunities for the Passport Programme.

Members were pleased to learn of the positive success of the Programme and in commending all those involved, noted the progress made to date.

11. PERFORMANCE MANAGEMENT IMPROVEMENT OBJECTIVE 5 – INVESTMENT IN COUNCIL HOMES TO TRANSFORM LIVES AND COMMUNITIES

Phil Davy, Head of Programmes, presented the report, which provided a six-month update on the key actions for the Improvement Objective relating to investment in Council Homes.

An investment plan was approved by the Caerphilly Homes Task Group in September 2012 and a comprehensive report on works progress between April - September 2013 produced. This indicated that less works were required than first anticipated, and that work is progressing in accordance with the strategy. Members were directed to Appendix 1 of the report, which provided a more detailed analysis of the Improvement Objective.

Members were informed that the internal works improvement programme for the current year is making good progress, with work being undertaken in a number of communities including Rhymney, Panside, Caerphilly, Plas Cwm Parc and Senghenydd. The main in-house workforce contractor is supported by specialist subcontractors, and after 6 months, 325 properties are compliant in respect of their internal elements. Work has been brought forward on an additional 203 properties in order to evidence a comparison with previous years.

Members discussed the report and queried the outcome of the tendering process regarding major contracts for the Welsh Housing Quality Standard (WHQS). It was confirmed that the supply partner contract had been awarded to Robert Price Builders Merchant and that other contracts had yet to be awarded. It was also confirmed that the adoption of an interim paper-based system ensured that the process was running smoothly.

The environmental considerations of the WHQS were queried by Members and it was confirmed that whilst these were considered a priority and were due to be introduced in 2014, they could yet be deferred as part of the savings proposals. Reference was also made to the Improvement Objective in relation to training and employment, and it was confirmed that a number of Passport Programme trainees were engaged within the scheme. It was expected that further employment opportunities would arise once all the contracts had been awarded. Officers arranged for Members to be provided with information on the number of employment gains as a result of WHQS.

The selection process regarding the catchment area for WHQS works was queried by Members, and it was confirmed that various options were utilised and an evolved strategy deployed so that all areas see the benefit of the works in the formative years. Members were informed that a fully scheduled programme of internal and external works was set to run concurrently in 3 areas.

The Chair raised a query regarding complaints about significant condensation in some properties. The Head of Programmes clarified the remedial processes involved with this issue, including investigating possible causes of condensation. The Chair was satisfied with

this response and requested that condensation levels in Council homes be taken into consideration when planning improvement works.

Following discussion of the report, Members noted the progress being made against the Improvement Objective and were in agreement that the evidence provided against this objective was satisfactory.

12. HALF-YEARLY UPDATE ON IMPROVEMENT OBJECTIVE 6 (2013/14) - IMPROVE THE AVAILABILITY OF PRIVATE AND PUBLIC SECTOR HOUSING

Shaun Couzens, Head of Housing, presented the report, which provided Members with a six-month update on the key actions for the Improvement Objective relating to improving the availability of public and private sector housing to reduce the number of residents who may become homeless.

Members were informed that good steady progress is being made against the actions contained within the Improvement Objectives. In terms of overall performance, all risks have been re-assessed, with two risks assessed as high, seven as medium and none as low, with none of the risks altered since the initial assessment. The performance of each action has been reviewed, with three actions being completed and good progress being made against the other seventeen actions, which are all due to be completed by their target dates. There are eight performance indicators in total, with all except one monitored on a quarterly basis, and are on currently on track to meet their end of year targets.

The completed actions were outlined, which included successfully reconfiguring the housing advice section to enhance the focus on homeless prevention and amending the procurement practices for minor adaptation works to further reduce waiting times for clients. They also included the implementation of a revised procedure for minor adaptation works for housing association tenants, to increase the level of available funding for private sector clients.

A number of queries were raised in relation to the detailed analysis of the Improvement Objective in the report. Members discussed the utilisation of empty properties in the borough and issues relating to welfare reform and changes. It was also confirmed that new target levels for the Improvement Objective would be established for the coming year.

Following discussion of the report, Members noted the progress being made against the Improvement Objective and were in agreement on its success to date.

13. TREASURY MANAGEMENT ANNUAL STRATEGY, CAPITAL FINANCE PRUDENTIAL INDICATORS AND MINIMUM REVENUE PROVISION POLICY FOR 2014/15

Nicole Scammell, Acting Director of Corporate Services and Section 151, and Nadeem Akhtar, Group Accountant, presented the report, which provided details of the proposed Council's Annual Strategy for Treasury Management, the proposed dataset of Prudential Indicators relevant to Treasury Management and Capital Finance, and the proposed Minimum Revenue Provision Policy (MRP), and sought the views of Members on the proposed recommendations contained therein.

The report made reference to Treasury Management, the Council's policy on financial derivatives, treasury management advisers and training respectively, the Prudential Indicator requirements for Capital Finance, the calculation of the Minimum Revenue Provision, and specific treasury management issues relating to the Council. Particular reference was made to the Annual Investment Strategy within Treasury Management and the way in which the Authority operates its investments.

Detailed discussion ensued regarding the report and Members queried the funding of the prudential borrowing for Bargoed Cinema, with Members advised that Odeon Cinema would pay an annual lease amount to fund these borrowing costs. Members queried the length of the lease and it was arranged for this information to be confirmed and provided to Members following the meeting.

Members queried the reference to Landsbanki within the report and Officers confirmed the matter had been discussed as an exempt report in November 2013. Members also discussed the Credit Risk Policy in Appendix 3 of the report and queried the rate of returns on investments. Officers confirmed that whilst the majority of the information was provided in the report, a further report could be provided to identify potential income and risks relating to specific types of investments. This would be scheduled for a future meeting of the Scrutiny Committee.

Members queried the need for external treasury management advisers and it was confirmed that the process was currently out to tender, with the Authority set to retain one adviser. It was confirmed that treasury management advisers provide a number of invaluable services, including compliance with regulations and Corporate Governance, and it was essential that these services were retained.

Following discussion on the content of the report, it was moved and seconded that the recommendations contained therein be adopted. By a show of hands, this was unanimously agreed.

RECOMMENDED to Cabinet that:-

- (i) the Annual Strategy for Treasury Management 2014/2015 be approved;
- (ii) the strategy be reviewed quarterly within the Treasury Management monitoring reports presented to Policy and Resources Scrutiny Committee and any changes recommended be referred to Cabinet, in the first instance, and to Council for a decision. The Council will also receive a half-yearly report on TM activities;
- (iii) the Prudential Indicators for Treasury Management as outlined in Appendix 5 of the report be approved;
- (iv) the Prudential Indicators for Capital Financing as outlined in Appendices 6 and 7 of the report be approved;
- (v) Members approve the use of Option 2 (for supported borrowing) and Option 3 Equal Instalment Method (for unsupported borrowing) for MRP purposes for 2014/2015.

14. NOTICE OF MOTION – HELIUM BALLOONS

The report detailed a Notice of Motion received from Councillor Janet Jones.

Councillor Jones introduced the Notice of Motion, which requested that the Council resolves as follows:-

- “This Council recognises and shares the Welsh Government’s concerns associated with the use of releasing helium balloons into the environment. In particular, the Council deplores the environmental damage and serious harm helium balloons can cause to livestock, wildlife and marine life. Therefore, this Council agrees to ban the sale and release of helium balloons from any of its premises or property”.

Councillor Jones stated that a recent similar Notice of Motion in relation to sky lanterns had inspired her to submit this Notice of Motion. She referenced the letter of support in relation to sky lanterns received from Alun Davies AM, the Welsh Government Minister for Natural Resources and Food, which also mentioned helium balloons. Councillor Jones reiterated her belief that helium balloons could cause damage to the environment and cause serious harm to livestock, wildlife and marine life.

Members of the Scrutiny Committee queried the issue of enforceability regarding a ban on the sale and release of helium balloons. Members also stated that they felt that more research was needed into the environmental impact of helium balloons and that they would wish to see more information pertaining to this issue before they considered the Notice of Motion.

Following this request, Councillor Jones agreed to withdraw the Notice of Motion for the time being, and it was proposed that she liaise with Colin Jones, Head of Performance and Property, with a view to drafting a further report and resubmitting the Notice of Motion at a future date.

It was therefore noted by the Scrutiny Committee that the Notice of Motion was withdrawn pending further information.

15. NOTICE OF MOTION – PAYDAY LOANS

The report detailed a Notice of Motion received from Councillor Colin Mann.

Councillor Mann introduced the Notice of Motion, which requested that the Council agrees: -

- a) To block access to payday loan company advertising from all its computers that are public and non-public facing including office computers and community facilities such as libraries and community centres.
- b) That this Council lobbies the Welsh Government to legislate for all local authorities to ban access to payday loans and also to call for a cap on chargeable loan rates.
- c) That pressure be brought on the banking industry to offer affordable short-term loans as an alternative to payday loans. Council would also encourage all residents, who are not already members, to join a Credit Union so that they can benefit from services offered, including affordable loans.

Councillor Mann reiterated his concerns regarding payday loan companies and asked Members to consider all possible avenues relating to the Notice of Motion.

Members discussed the Notice of Motion with Councillor Mann and raised the issue of Information Technology capabilities and remits within the Authority and whether it was feasible for CCBC computers to block the advertising of such websites. Members discussed whether the issue of payday loans was a matter for the UK Government, rather than the Welsh Government. There was also uncertainty amongst Members as to whether the Authority should be perceived to be imparting financial advice by encouraging residents to join a credit union.

Following detailed discussion, the Scrutiny Committee requested that Councillor Mann amend the wording in the Notice of Motion as follows:-

- a) To replace the word '**advertising**' with the word '**websites**';
- b) To include the words '**and UK Government**' following '**Welsh Government**'.

It was also requested that the Acting Director of Corporate Services and Section 151 Officer seek advice on the legality with regards to the second sentence in paragraph (c) of the Notice of Motion.

Councillor Mann agreed that subject to the guidance that will be received from the Acting Director of Corporate Services and Section 151 Officer, he would amend his Notice of Motion accordingly.

Following discussion on the content of the amended Notice of Motion, it was moved and seconded that the recommendations contained therein be adopted, subject to guidance from the Acting Director of Corporate Services and Section 151 Officer. By a show of hands, this was unanimously agreed.

RECOMMENDED to Council that subject to the foregoing, the Notice of Motion be supported.

16. REQUESTS FOR AN ITEM TO BE INCLUDED ON THE NEXT AVAILABLE AGENDA

Councillor J. Jones requested a report in relation to mobile zoos in the county borough and was advised to contact the Chair of the Regeneration and Environment Scrutiny Committee regarding this request.

17. INFORMATION ITEMS

The following reports were brought forward for discussion at the meeting:

18. 2013/14 CAPITAL BUDGET MONITORING REPORT (PERIOD 7)

Members clarified with Officers the reasons for the slippage identified in Section 4.5 of the report and it was confirmed that a contributory factor related to match funding for the 21st Century Schools schemes.

19. WHOLE-AUTHORITY MILEAGE AND EXPENSES EXPENDITURE FINANCIAL YEAR 2012-13

Members clarified with Officers the level of mileage payments incurred by staff on Soulbury Terms and Conditions.

20. INFORMATION ITEMS

The following reports were received and noted without discussion:

- (1) Corporate Services and Miscellaneous Finance 2013/14 Revenue Budget Monitoring Report (Period 7);
- (2) Discretionary Rate Relief Applications; Caerphilly Homes Task Group (WHQS) Minutes held on 17th October 2013 and 5th December 2013;
- (3) Corporate Health and Safety Committee Minutes held on 11th November 2013;
- (4) Policy and Resources Scrutiny Committee Forward Work Programme.

The Chair announced that as of March 2014, there would be a change of procedure regarding requests for reports and the operation of the Forward Work Programme. In addition, following the final training in February, the next Policy and Resources Scrutiny Committee of 4th March 2014 would hold a pre-meeting for Members prior to the start of the meeting.

The meeting closed at 7:24 p.m.

Approved as a correct record, and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 4th March 2014, they were signed by the Chair.

CHAIR