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For all enquiries relating to this agenda please contact Rebecca Barrett
(Tel: 01443 864245 Email: barrerm@caerphilly.gov.uk)

Date: 9th January 2019

Dear Sir/Madam,

A meeting of the **Policy and Resources Scrutiny Committee** will be held in the **Sirhowy Room - Penallta House** on **Tuesday, 15th January, 2019 at 5.30 pm** to consider the matters contained in the following agenda. Councillors and the public wishing to speak on any item can do so by making a request to the Chair. You are also welcome to use Welsh at the meeting, both these requests require a minimum notice period of 3 working days, and a simultaneous translation will be provided if requested.

All Committee meetings are open to the Press and Public, observers and participants are asked to conduct themselves with respect and consideration for others. Please note that failure to do so will result in you being asked to leave the meetings and you may be escorted from the premises.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Chrissy'.

Christina Harrhy
INTERIM CHIEF EXECUTIVE

AGENDA

- | | Pages |
|---|-----------------------------------|
| 1 | To receive apologies for absence. |
| 2 | Declarations of Interest. |

Councillors and Officers are reminded of their responsibility to declare any personal and/or prejudicial interest(s) in respect of any business on this agenda in accordance with the Local Government Act 2000, the Council's Constitution and the Code of Conduct for both Councillors and Officers.

A greener place Man gwyrddach

Correspondence may be in any language or format | Gallwch ohebu mewn unrhyw iaith neu fformat



To approve and sign the following minutes: -

- | | | |
|---|--|--------|
| 3 | Policy and Resources Scrutiny Committee held on 13th November 2018. | 1 - 6 |
| 4 | Consideration of any matter referred to this Committee in accordance with the call-in procedure. | |
| 5 | To receive a verbal report by the Cabinet Member(s). | |
| 6 | Policy and Resources Scrutiny Committee Forward Work Programme. | 7 – 12 |
| 7 | To receive and consider the following Cabinet Reports*: - | |
| | 1. Draft Budget Proposals for 2019/20 - 14th November 2018; | |
| | 2. Council Tax Base 2019/20 - 28th November 2018; | |
| | 3. Homelessness Strategy and Action Plan 2018-2022 - 28th November 2018; | |
| | 4. The National Training Framework on Violence Against Women, Domestic Abuse and Sexual Violence - 28th November 2018. | |

**If a member of the Scrutiny Committee wishes for any of the above Cabinet reports to be brought forward for review at the meeting please contact Rebecca Barrett, 01443 864245, by 10.00 a.m. on Monday, 14th January 2019.*

To receive and consider the following Scrutiny reports:-

- | | | |
|----|--|---------|
| 8 | Treasury Management Annual Strategy, Capital Finance Prudential Indicators and Minimum Revenue Policy for 2019/2020. | 13 - 40 |
| 9 | Housing Revenue Account Charges - 2019/2020. | 41 - 46 |
| 10 | WHQS Progress Report - Final Stages. | 47 - 74 |
| 11 | Update on Reserves. | 75 - 86 |

Circulation:

Councillors M.A. Adams, Mrs E.M. Aldworth, K. Etheridge, Mrs C. Forehead, Miss E. Forehead, L. Harding, G. Johnston, G. Kirby (Vice Chair), C.P. Mann, Mrs D. Price, J. Pritchard (Chair), J. Ridgewell, R. Saralis, Mrs M.E. Sargent, J. Taylor and L.G. Whittle

And Appropriate Officers

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POLICY AND RESOURCES SCRUTINY COMMITTEE

**MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH ON
TUESDAY, 13TH NOVEMBER 2018 AT 5.30 P.M.**

PRESENT:

Councillor J. Pritchard - Chair
Councillor G. Kirby - Vice-Chair

Councillors:

M. Adams, Mrs E.M. Aldworth, K. Etheridge, L. Harding, G. Johnston, C.P. Mann, J. Ridgewell, R. Saralis, J. Taylor, L.G. Whittle

Cabinet Members:

C. Gordon (Corporate Services), Mrs B. Jones (Finance, Performance and Governance)

Together with:

R. Edmunds (Corporate Director for Education and Corporate Services), S. Couzens (Chief Housing Officer), L. Donovan (Head of People Services), F. Wilkins (Housing Services Manager), C. Forbes-Thompson (Interim Head of Democratic Services), R. Barrett (Committee Services Officer)

1. WELCOME

The Chair welcomed Councillor G. Johnston to his first meeting of the Policy and Resources Scrutiny Committee.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Mrs C. Forehead, Miss E. Forehead, Mrs D. Price, Mrs M.E. Sargent and Mrs L. Phipps (Cabinet Member for Homes and Places).

3. DECLARATIONS OF INTEREST

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

4. MINUTES – 2ND OCTOBER 2018

RESOLVED that the minutes of the Policy and Resources Scrutiny Committee held on 2nd October 2018 (minute nos. 1 - 11) be approved as a correct record and signed by the Chair.

5. CALL-IN PROCEDURE

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

6. REPORT OF THE CABINET MEMBERS

The Scrutiny Committee noted the contents of the reports from Councillors C. Gordon, Mrs L. Phipps and Mrs B. Jones, which provided an update on their respective portfolios, and had been circulated to Members in advance of the meeting.

Councillor C. Gordon (Cabinet Member for Corporate Services) provided updates on the Council's Budget Consultation process and savings proposals for 2019/20, developments across Human Resources, and digital innovation developments and new technology across Customer and Digital Services. Cabinet recently agreed to the use of £500k from a Directorate underspend for Invest to Save initiatives to support this technology, for which the payback period will be achieved in the region of 2-4 years.

Queries were received on the number of blue badges issued by Caerphilly compared to other local authorities, and the steps that the Council has taken to protect personal information in light of changes to data protection legislation. It was arranged for Officers to circulate this information to Members following the meeting. A Member highlighted delays in some housing payments being marked as received when made via the post office and the Corporate Director offered to explore the matter following the meeting. The Committee discussed budget consultation methods used by other authorities to determine service rationalisation and how these could be adopted by the Council. Officers also provided further information on new Customer Services technology being utilised by the Council.

Councillor Mrs B. Jones (Cabinet Member for Finance, Performance and Governance) provided an update on the draft Budget Proposals for 2019/20 which will be subject to public consultation following presentation to Cabinet. A Members' Seminar to discuss the proposals will be followed by a series of special Scrutiny Committee meetings during December 2018. Members were reminded that the Council cannot continue to operate in its current form and needs to look at alternative ways of delivering services.

As Councillor L. Phipps (Cabinet Member for Homes and Places) had given apologies for the meeting, the Scrutiny Committee noted the contents of her report, which provided updates on Property Services and Universal Credit. Members were also pleased to learn that the "Free From Fear" domestic abuse project developed by the Council and Gwent housing partners recently achieved the national Pat Chown Capturing Creativity Award.

Members discussed the implications of Universal Credit across the county borough, which have resulted in a significantly increased workload for housing staff. Officers outlined the processes being undertaken to mitigate the impact of the changes for both staff and claimants and to support tenants in making and managing claims. In response to Members' concerns over the wider implications of the new Universal Credit regime given the number of council tenants across the borough, it was explained that the changes only relate to new claims at the present time and that 80% of Council tenants are in receipt of housing benefits. The Housing team will monitor the scheduled migration of existing legacy benefits to Universal Credit (date to be confirmed) and will be providing additional training to staff ahead of this roll out. A Member suggested that Welsh Government should make funding available to mitigate resource pressures and the Scrutiny Committee agreed that a recommendation be made to WG in this regard.

The Cabinet Members were thanked for their reports.

7. POLICY AND RESOURCES SCRUTINY COMMITTEE FORWARD WORK PROGRAMME

Cath Forbes-Thompson (Interim Head of Democratic Services) presented the report, which outlined details of the Policy and Resources Scrutiny Committee Forward Work Programme (FWP) for the period November 2018 to April 2019. Members were asked to consider the FWP alongside the Cabinet Work Programme as appended to the report and to suggest any changes to its content.

The Committee noted the Update on Reserves report being presented to Cabinet on 30th January 2019 and were in agreement that it be moved from the list of Information Items and scheduled as a discussion item for the Committee on 15th January 2019. Members were advised that since the publication of the papers, a report on the final stages of the WHQS Programme had been scheduled for Cabinet on 30th January 2019 and the Committee agreed that it be presented to them for consideration on 15th January 2019. In view of the maximum of four agenda items per meeting, the Committee agreed that the report on Wellbeing Objective 3 (6-Monthly Update) be moved to Information Items for 15th January 2019 and the Council Tax Premiums report be rescheduled to a date to be confirmed.

Subject to the foregoing amendments, it was unanimously agreed that the Policy and Resources Scrutiny Committee Forward Work Programme be published on the Council's website.

8. CABINET REPORTS

None of the Cabinet reports listed on the agenda had been called forward for discussion at the meeting.

REPORTS OF OFFICERS

Consideration was given to the following reports.

9. AGILE WORKING PRINCIPLES – PRESENTATION

The Scrutiny Committee received a slideshow presentation from Lynne Donovan (Head of People Services) on the principles of agile working.

It was explained that agile working is a transformational tool that enables organisations to work smarter by eliminating all barriers to working efficiently. It uses communications and information technology to enable people to work in ways which best suit their needs without the traditional limitations of where and when tasks must be performed. Agile working can support staff to have more autonomy over where and when they work. This practice is based on the complete flexibility of work to drive long-term organisational success and can unlock value for both the employer and the employee.

Members were advised of the catalysts and drivers for agile working and the need to identify the types of roles that can support agile working. With this in mind, a table top exercise will be cascaded to all Heads of Service across the Authority to determine whether their departments are able to support agile working principles. By mapping every job in their service area, Heads of Service will be able to identify how much flexibility can realistically be achieved for each role, and the exercise will lead to the development of an agile working model which suits that service area. It was emphasised that one size will not fit all and that agile working will be dependent on the needs of each service area. Heads of Service have also been asked to consider the results of this exercise when reviewing business continuity plans to support service provision during inclement weather, for

example. Upon completion of the exercise and piloting the results, the feedback from Heads of Service will be used to develop an agile working policy and how it can be supported by existing flexible working policies.

The Scrutiny Committee were also advised of the policies that underpin agile working, with it explained that the Council already offers numerous benefits aimed at making it easier for employees to balance home and work life commitment, with agile working having the potential to complement this suite of policies.

The Scrutiny Committee thanked the Head of People Services for her presentation and queried how many employees could benefit from agile working principles. It was explained that this will depend on the needs of each service area, but that feedback is encouraged from all Council departments and that the proposals are not restricted to office-based staff. Members discussed the positives and negatives of agile working across other authorities, and Officers explained that following a settling in period to allow staff to become accustomed to the changes, the practice generally brings about greater flexibility and increased workforce productivity. Cost benefits include the potential to reduce sickness absence. The Scrutiny Committee expressed the importance of team working practices and Officers explained that employees across other local authorities utilise technology such as video conferencing and hold weekly team meetings to maintain connectivity.

It was queried whether agile working practices could realistically be achieved and Officers outlined the need to embrace cultural change and offer a wider range of working flexibility to Council staff. A Member highlighted the need to monitor the system in order to ensure staff wellbeing and ensure that the practice is not being abused, and also emphasised the need for staff to give consideration to their home and work life balance when working from home to ensure they are not working excessive or unusual hours. Officers referred to the flexible benefits of agile working in that some staff may choose to work outside normal office hours, but gave assurances that any such policy will be robustly monitored and that management expectations will be set out in advance of the principles being implemented.

Having discussed the item, the Scrutiny Committee fully endorsed the principles of agile working and welcomed the potential benefits it could have for Council working practices.

10. HOMELESSNESS STRATEGY AND ACTION PLAN 2018-2022

Shaun Couzens (Chief Housing Officer) presented the report, which outlined the Gwent Regional Homelessness Strategy 2018-2022 and sought the views of Members on its content, prior to its presentation to the Caerphilly Homes Task Group for consideration and thereafter Cabinet for approval.

Members were advised that the Housing (Wales) Act 2014 requires all Welsh local authorities to undertake a review of their homelessness services and produce a four year homelessness strategy to address the issues identified. The five local authorities in Gwent have responded to the requirement by working together to produce a regional strategy, delivered through local and regional action plans. A regional approach was approved by Welsh Government and this takes into account the need to consider more partnership and cross boundary working. The Strategy has been developed from the findings of an extensive regional consultation and review. Local Authorities across Wales are required to implement their homelessness strategies by 31st December 2018. A copy of the Strategy and supporting documents was appended to the report for Members' information.

It was explained that the Gwent Homelessness Review 2018 (an extract of which was appended to the report) defines the scale of the issue across the region and within Caerphilly, and analyses the nature and extent of homelessness in Gwent. The strategy document (Appendix 2) contains four key priorities and ten strategic objectives. A regional

action plan (Appendix 3) has been developed which in Caerphilly's case, also contains the local actions that the Council intend to deliver through the term of the strategy period (attached at Appendix 3). The Equalities Impact Assessment for the Strategy (Appendix 4) outlined the extensive consultation that has been undertaken with relevant Council Officers and via online surveys with service users who have experienced homelessness.

During the course of the debate, clarification was sought on the Council's housing duty in respect of homelessness cases, and it was explained that this duty rests with Authority for which the homeless person has a 'local connection'. Therefore priority will be given to homelessness cases where their connection is to the Caerphilly county borough, and other cases will be redirected to the relevant local authority, although Caerphilly Council will assist in emergency cases where the need arises. It was noted that the regional approach will enable the five local authorities participating in the Strategy to share good practice in respect of tackling homelessness within their areas.

Reference was made to point 5 of the action plan which outlined the need to reduce homelessness for younger people and support their wellbeing. A Member sought clarification on the contents of the education package being developed and it was explained that this will include a package of materials to support care leavers on how to manage and sustain their independent living arrangements. Members were advised that the Council is working with the other local authorities and a number of other agencies to develop a regional approach in this regard. A Member queried if there were any particular areas of the borough where young people are more at risk of homelessness and Officers indicated they would look into this query following the meeting. In response to a query on the homelessness intervention approach for younger people, it was explained that the Council will examine each case to identify the problems being experienced and the support required, and ensure that the young person is connected to the correct resources in order to improve their circumstances.

Discussion also took place regarding the availability of social housing, together with housing affordability in certain areas of the county borough. It was noted that the Council is considering options to bring empty properties back into use and is also examining other options via a regional approach, such as the use of shared housing or developing new temporary accommodation to reduce instances of homelessness. Arising from the discussions at the meeting, it was agreed that a joint Members' Seminar in respect of homelessness across the county borough, and the implications of Universal Credit, be arranged in due course.

Following consideration of the report and having noted its contents, it was moved and seconded that the following recommendation be referred to Cabinet for approval. By a show of hands this was unanimously agreed.

RECOMMENDED to Cabinet that the Gwent Regional Homelessness Strategy 2018-2022 be approved.

The meeting closed at 7.13 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 15th January 2019, they were signed by the Chair.

CHAIR

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POLICY AND RESOURCES SCRUTINY COMMITTEE – 15TH JANUARY 2019

**SUBJECT: POLICY AND RESOURCES SCRUTINY COMMITTEE FORWARD
WORK PROGRAMME**

**REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE
SERVICES**

1. PURPOSE OF REPORT

1.1 To report the Policy and Resources Scrutiny Committee Forward Work Programme.

2. SUMMARY

2.1 Forward Work Programmes are essential to ensure that Scrutiny Committee agendas reflect the strategic issues facing the Council and other priorities raised by Members, the public or stakeholders.

3. LINKS TO STRATEGY

3.1 The operation of scrutiny is required by the Local Government Act 2000 and subsequent Assembly legislation. The Forward Work Programmes contribute to the following Well-being Goals within the Well-being of Future Generations Act (Wales) 2016 by ensuring there is an effective scrutiny function and that council policies are scrutinised against the following goals:

- A prosperous Wales
- A resilient Wales
- A healthier Wales
- A more equal Wales
- A Wales of cohesive communities
- A Wales of vibrant culture and thriving Welsh language
- A globally responsible Wales

4. THE REPORT

4.1 The Policy and Resources Scrutiny Committee forward work programme includes all reports that were identified at the scrutiny committee meeting on 13th November 2018. The work programme outlines the reports planned for the period January 2019 to July 2019.

4.2 The forward work programme is made up of reports identified by officers and members. Members are asked to consider the work programme alongside the cabinet work programme and suggest any changes before it is published on the council website. Scrutiny committee will review this work programme at every meeting going forward alongside any changes to the cabinet work programme or report requests.

4.3 The Policy and Resources Scrutiny Committee Forward Work Programme is attached at Appendix 1. The Cabinet Forward Work Programme is attached at Appendix 2.

5. WELL-BEING OF FUTURE GENERATIONS

5.1 This report contributes to the well-being goals as set out in links to strategy above. It is consistent with the five ways of working as defined within the sustainable development principle in that by ensuring the scrutiny function is effective when reviewing services and policies and ensure it considers the wellbeing goals.

6. EQUALITIES IMPLICATIONS

6.1 There are no specific equalities implications arising as a result of this report.

7. FINANCIAL IMPLICATIONS

7.1 There are no specific financial implications arising as a result of this report.

8. PERSONNEL IMPLICATIONS

8.1 There are no specific personnel implications arising as a result of this report.

9. CONSULTATIONS

9.1 There are no consultation responses that have not been included in this report.

10. RECOMMENDATIONS

10.1 That Members consider any changes and agree the final forward work programme prior to publication.

11. REASONS FOR THE RECOMMENDATIONS

11.1 To improve the operation of scrutiny.

12. STATUTORY POWER

12.1 The Local Government Act 2000.

Author: Rebecca Barrett, Committee Services Officer

Consultees: Richard Edmunds, Corporate Director for Education and Corporate Services
Robert Tranter, Head of Legal Services / Monitoring Officer
Catherine Forbes-Thompson, Interim Head of Democratic Services

Appendices:

Appendix 1 Policy and Resources Scrutiny Committee Forward Work Programme.

Appendix 2 Cabinet Work Programme.

Policy and Resources Scrutiny - Forward Work Programme

APPENDIX 1

Tuesday - 15/01/2019

Title	Key Issues	Author	Policy and Resources Scrutiny Member
Treasury Management Annual Strategy, Prudential Indicators and MRP Policy 2019/20			
Housing Revenue Account Charges 2019/20	To present details of proposed increases in rent charges for the 2019/20 financial year.	L Allen	Cllr. Lisa Phipps
Update on Reserves	To present details of the usable reserves held by the Authority and to outline proposals for the use of reserves in some areas.	N Scammell	Cllr. Barbara Jones
WHQS - Final Stages of the Programme		S Couzens	Cllr. Lisa Phipps
Information Item - Corporate Services and Miscellaneous Finance - Budget Monitoring - Period 7		Nicole Scammell	
Information Item - Housing Revenue Account - Budget Monitoring - Period 7			
Information Item - Capital Budget Monitoring Report - Period 7			
Information Item - Write Off of Debts (01.04.18 - 30.09.18)		N Scammell	
Information Item - Whole Authority Budget Monitoring 2018/19		N Scammell	
Information Item - Six Month Wellbeing Objectives Update		R Roberts	
Information Item - Discretionary Rate Relief Applications (x3 Reports)			Cllr. Barbara Jones
Information Item - Capital Strategy		N. Scammell	Cllr. Barbara Jones

Tuesday - 26/02/2019

Legal Services – Resources	Request from Committee.		
Local Housing Strategy			
Rationalisation of Assets/ Community Hubs			
Housing Allocations / Tenancy Enforcement		S Couzens	Cllr. Lisa Phipps

Information Item - Transforming Homes, Lives and Communities		S. Couzens	Cllr. Lisa Phipps
Information Item - Treasury Management and Prudential Indicator Monitoring Report - Quarter 3		N. Akhtar	Cllr. Barbara Jones

Tuesday - 09/04/2019

Tuesday - 28/05/2019

Tuesday - 09/07/2019

Cabinet - Forward Work Programme

APPENDIX 2

Wednesday - 16/01/2019					
Cabinet & PDM					
Title	Key Issues	Author	Cabinet Member	Time	Attendees
Ystrad Mynach Master Plan	To agree the Draft Ystrad Mynach Masterplan as a basis for a six week public consultation exercise to gauge stake holders views on the draft proposals for the area	Rhian Kyte	Cllr. Sean Morgan		
Welsh Government Flexible Funding	To inform the Cabinet of the Welsh Government's Flexible Funding project and the subsequent decision made by Welsh Government to implement two integrated grants from 1st April 2019	T McMahon	Cllr. Sean Morgan		
Brexit		Stephen Harris	Cllr. Barbara Jones		
Write Off of Debts over £20,000 - Business rate arrears for Ltd Companies	For Cabinet approval	John Carpenter	Cllr. Barbara Jones		
LA Self Evaluation Report - Education		Keri Cole	Cllr. Phillipa Marsden		
Cabinet as Trustees of Blackwood Miners Institute Meeting					
Cabinet as Trustees - Annual Report and Statement of Accounts for 2017/20		Paul Hudson			
Cabinet Sitting as Trustee of the - Nine Mile Scholarship Fund and the John Edwards Memorial Fund Charities	To seek a resolution to amend the rules of the Nine Mile Scholarship Fund and the John Edwards Memorial Fund	Nicole Scammell	Cllr. Barbara Jones		
Wednesday - 30/01/2019					
Cabinet & PDM					
Corporate Risk Register	To provide an update of the Corporate Risk register in accordance with the Council's risk Management Strategy. The update Corporate Risk Register (CRR) is presented to Audit Committee so there is opportunity for the Committee to satisfy itself that appropriate arrangements are in place for the council's risk management processes to be regularly and robustly monitored and scrutinised.	S Haris	Cllr. Barbara Jones		
Update on Reserves	To present details of the usable reserves held by the Authority and to outline proposals for the use of reserves in some areas.	N Scammell	Cllr. Barbara Jones		
Housing Revenue Account Charges 2019/20	To present details of proposed increases in rent charges for the 2019/20 financial year.	L Allen	Cllr. Lisa Phipps		
WHQS - Final Stages of the Programme		S Couzens	Cllr. Lisa Phipps		

Electric Vehicles and Charging Facilities	To seek Cabinet approval for funding to implement actions set out in the Council's Electric Vehicle Strategy.	Stephen Harris	Cllr. Barbara Jones		
Whole Authority Revenue Budget Monitoring Report 2018/19	The report will provide details of projected Whole-Authority revenue expenditure for the 2018/19 financial year along with details of any significant issues arising. The report will also update Cabinet on progress in delivering the approved savings for 2018/19	N Scamell	Councillor B Jones		
Communications: Strategy	To update PDM.	Stephen Pugh	Cllr. Colin Gordan		
Settlement of Contract Claim on Centre of Excellence - EXEMPT REPORT		Mark S Williams	Cllr. Nigel George		
Wednesday - 13/02/2019 Cabinet & PDM					
Budget Proposals 2019/20 and Medium Term Financial Strategy 2019/24					
Wednesday - 27/02/2019 Cabinet & PDM					
Bedwelty School Playing Fields	To seek the views of Cabinet on the disposal of two football fields situated within the grounds of the former Bedwelty Comprehensive School, Aberbargoed following the completion of the consultation process outlined within the Playing Fields (Community Involvement in Disposal Decisions) (Wales) Regulations 2015	M Headington	Cllr. Lisa Phipps		
Welsh Church Fund	To provide an update on the revised grant levels and criteria approved by Cabinet on 28th March 2018 and to determine whether further revisions are required.	Stephen Harris	Cllr. Barbara Jones		
Flexible Retirement	Formal agreement for the period of flexible retirement to be changed	L Donovan	Cllr. Colin Gordan		
Grants 18/19 Overview - Regeneration	This report provides an evaluation of the current Regeneration Department's grant schemes and seeks Cabinet approval to combine the grants into a single "Caerphilly Enterprise Fund" with a refocus towards offering improved support to start up businesses, stimulating economic growth, filling identified supply chain voids and supporting job creation	R Kyte	Cllr. Sean Morgan		
Wednesday - 13/03/2019 Cabinet & PDM					
Childcare Solicitor - Future Models		R Tranter			



POLICY AND RESOURCES SCRUTINY COMMITTEE – 15TH JANUARY 2019

SUBJECT: TREASURY MANAGEMENT ANNUAL STRATEGY, CAPITAL FINANCE PRUDENTIAL INDICATORS AND MINIMUM REVENUE PROVISION POLICY FOR 2019/2020

REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE SERVICES

1. PURPOSE OF REPORT

- 1.1 To submit for consideration prior to its presentation to Council the Authority's Annual Strategy for Treasury Management.
- 1.2 To submit for consideration prior to its presentation to Council a dataset of Prudential Indicators relevant to Treasury Management and Capital Finance. The report also cross-references to the report by the Corporate Director of Education and Corporate Services on Revenue and Capital Budgets ["the budget report"] also considered in this meeting.
- 1.3 To submit for consideration prior to its presentation to Council the Minimum Revenue Provision (MRP) policy to be adopted by the Authority for 2019/2020.

2. SUMMARY

- 2.1 The revised (2017) "Code of Practice for Treasury Management in the Public Services" provides that an Annual Strategy be submitted to Members on or before the start of a financial year to outline the activities planned within the parameters of the Treasury Management Policy Statement and the Treasury Management Practices.
- 2.2 The Local Government Act 2003 (the '2003 Act') also requires the Authority to set out its Treasury Management Strategy for borrowing for the forthcoming year and to prepare an Annual Investment Strategy, which sets out the policies for managing its investments, giving priority to the security and liquidity of those investments.
- 2.3 Under Section 15 of the '2003 Act', the Welsh Government (WG) issued guidance on local government investments which is incorporated within the report. Definitions of Local Government investments are given in Appendix 1.
- 2.4 Under the provisions of the Local Government Act 2003, The Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 and subsequent amendments [The Capital Regulations], and the CIPFA's "The Prudential Code for Capital Finance in Local Authorities" [the Code], the Authority is obliged to approve and publish a number of indicators relevant to Capital Finance and Treasury Management.

2.5 With effect from 1st April 2008, WG introduced the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2008 [the “Amendment Regulations”] which requires the Authority to prepare an Annual Minimum Revenue Provision Policy Statement. This report sets out what the Authority needs to do in order to comply with this requirement.

3. LINKS TO STRATEGY

3.1 The report has links to the strategic themes of the Authority, taking into account cross-cutting issues where relevant. It has specific links to the effective and efficient application and use of resources.

3.2 Prudent financial management contributes to the following Well-being Goals within the Well-being of Future Generations Act (Wales) 2015:-

- A prosperous Wales.
- A resilient Wales.
- A healthier Wales.
- A more equal Wales.
- A Wales of cohesive communities.
- A Wales of vibrant culture and thriving Welsh Language.
- A globally responsible Wales.

4. THE REPORT

4.1 The format of the report is as follows:

Section 5 will deal with Treasury Management, supported by, and cross-referenced to Appendices 1 to 5 attached.

Section 6 discloses the Authority’s policy on financial derivatives.

Section 7 and 8 deal with Treasury Management Adviser and training respectively.

Section 9 will consider the Prudential Indicator requirements for Capital Finance, cross-referenced to Appendices 6 to 7 attached.

Section 10 will consider the calculation of the Minimum Revenue Provision, cross-referenced to Appendix 8 attached.

Section 11 will deal with specific treasury management issues relating to the Authority.

5. TREASURY MANAGEMENT

5.1 Interest Rate Prospects - Short-term

5.1.1 The Authority uses Arlingclose Limited as its Treasury Management Adviser and part of their service is to assist the Authority to formulate a view on interest rates.

5.1.2 The Monetary Policy Committee [MPC] increased Bank Rate in August 2018 to 0.75%. Future increases are likely to be gradual.

5.1.3 The major external influence on the Authority’s treasury management strategy for 2019/20 will be the UK’s progress in negotiating its exit from the European Union and agreeing future trading arrangements. The domestic economy has remained relatively robust since the outcome of the 2016 referendum, but there are indications that uncertainty over the future is now suppressing growth; weakening Sterling and rising inflation as cost of imported goods become expensive. Transitional arrangements will extend the period of uncertainty for several years. Economic growth is therefore forecast to remain sluggish throughout 2019/20.

- 5.1.4 Consumer price inflation reached 2.3% in November 2018 as the post-referendum devaluation of sterling continued to feed through to imports as well as higher energy prices. Whilst these are expected to subside going forward, domestic pressures are projected to build over the forecast horizon with the balance of these effects likely to keep inflation above the Bank of England's target throughout most of their forecast horizon, meaning that strong real income growth is unlikely to materialise any time soon.
- 5.1.5 The Authority's treasury adviser Arlingclose's central case is for UK Bank Rate to gradually increase and remain at 1.25% by the end of 2019/20. The Bank of England's MPC have agreed that any future increase would be limited and gradual. Arlingclose believes that MPC members consider both that ultra-low interest rates result in other economic problems, and that higher Bank Rate will be a more effective policy weapon should downside Brexit risks crystallise when rate cuts will be required.

5.2 Interest Rate Prospects- Long-term

- 5.2.1 Gilt yields have remained at low levels. There is an expectation of some upward movement from current levels based current interest rate projections, the strength of the US economy and the European Central Bank's forward guidance on higher rates. However, volatility arising from both economic and political events will continue to offer borrowing opportunities.
- 5.2.2 The MPC has maintained expectations of a slow rise in interest rates over the forecast horizon. The forecast for a central case is for Bank Rate is to rise twice in 2019. The risks are weighted to the downside. Arlingclose forecasts are shown in **Appendix 2**.

5.3 External Debt - Capital Borrowings and Borrowing Portfolio Strategy

- 5.3.1 The Authority's primary objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.
- 5.3.2 Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead. By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.
- 5.3.3 The difference between current long-term borrowing rates and short-term investment rates has resulted in a "cost of carry" scenario, indicating that it is more advantageous to use internal funding in lieu of borrowing. The cost of carry is likely to remain an issue until the Bank Rate and short term market rates increase in the future. The Authority, having adopted the policy of internal borrowing from the latter half of 2008/09, has an internal borrowing position of £32m (as at 31st March 2018) from which capital expenditure has been funded. Unless the policy is prudent, the Authority will no longer adopt the policy of internal borrowing. The benefits of internal / short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly.
- 5.3.4 It is anticipated that the borrowing requirement of £27.4m will need to be taken up in 2019/20 for the General Fund to support the capital programme and provision has been made in the budget to fund this level of borrowing. Much of this borrowing has been deferred from previous financial years. The HRA will borrow £44.2m in 2019/20 to fund the WHQS capital programme.

5.3.5 Therefore the total 2019/20 borrowing requirement will be £71.6m comprising of:

- 2019/20 supported borrowing approvals - £4.9m
- 2018/19 supported borrowing approvals - £4.9m
- 2017/18 supported borrowing approvals - £5.0m
- 2016/17 supported borrowing approvals - £5.0m
- 21st Century Schools LGBI- £4.2m
- 21st Century Schools prudential borrowing - £3.4m
- HRA WHQS- £44.2m

The LGBI borrowing is funded by WG contributions to support the 21st Century Schools capital programme. The borrowing approvals relate to previous financial years whereby the borrowing had been deferred and subsequently these are now being rolled forward until the Authority raises such loans. Capital expenditure in the relevant financial year that would have been funded by the borrowing approvals was subsequently funded from internal borrowing. Retrospectively borrowing these approvals will replenish the internal borrowing.

5.3.6 Whilst PWLB interest rates have been included in Appendix 2, it is possible that loans may be taken from other sources if interest rates are more advantageous. It is suggested that the target rate for new borrowing be set at 4.50% for a 25 year period loan. However, other periods will be considered if the rates are advantageous.

5.3.7 Current PWLB forecasts suggest interest rates will remain volatile during 2019/20 and will be influenced by geopolitical tensions; global economic prospects and the outcome of the Brexit negotiations. The use of internal borrowing to fund the 2019/20 capital programme or the decision to defer borrowing as set out in paragraph 5.3.4 could expose the Authority to rising interest rates thus making it expensive to borrow at a later date. A budget to cover the cost of raising £27.4m new debt finance will remain in place irrespective of the decision to borrow internally or externally.

5.3.8 Any short-term funding would need to be in line with the 'Upper Limit for Variable Rates' as defined in the prudential indicators in Appendix 5 (30% of Net Debt Outstanding) within the CIPFA "Prudential Code for Capital Expenditure in Local Government".

5.3.9 Officers, in conjunction with the Treasury Management Adviser, will continue to monitor both the prevailing rates and the market forecasts, responding to changes when necessary. The following borrowing sources will be considered by the Authority to fund short-term and long-term borrowing (and in no particular order):

- Internal reserves
- Public Works Loan Board (PWLB) {or its successor}
- Local Authorities
- European Investment Bank (NB the EIB will only lend up to 50% towards the funding of a specific project and needs to meet the EIB's specific criteria. The project cost must also be at least €10m)
- Leasing
- Capital market bond investors
- Other commercial and not for profit sources
- Any other bank or building society authorised to operate in the UK
- UK public and private sector pension funds
- UK Municipal Bonds Agency and other special purpose companies created to enable local authority bond issues
- Any counterparty approved for investments

5.3.10 In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- operating and finance leases
- hire purchase
- Private Finance Initiative
- sale and leaseback

5.3.11 The Authority may borrow short-term loans (up to twelve months) to cover unexpected cashflow shortages.

5.3.12 The Authority may arrange forward starting loans during 2019/20, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period as well as mitigate against the risk of rising borrowing interest rates.

5.3.13 **LGA Bond Agency:** The UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities may be required to provide bond investors with a joint and several guarantee over the very small risk that other local authority borrowers default on their loans; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to Cabinet.

5.3.14 **MTFP Saving:** In October 2018, Welsh Government announced its provisional budget settlement, which broke down how much money will go into public services across Wales. Under the settlement, Caerphilly County Borough Council faces a funding reduction of 0.3%. This, coupled with inescapable pressures that the Authority has to fund, means that Caerphilly Council has to find savings in 2019/20 totalling almost £14.7m. In order to support this shortfall, the Authority will make a one off budgetary saving of £500k from its debt management budget in 2019/20. The impact of this budgetary saving means that £14.29m of new debt that is planned for 2019/20 will need to be deferred to 2020/21. As per paragraph 5.3.4 a total of £27.4m is planned for 2019/20 for the General Fund. Deferring £14.29m would mean a take up of new debt of £13.11m to fund the capital programme and replenish internal borrowing. The MTFP assumes that new debt will be raised at 3.50%.

5.4 Authorised Limit for External Debt (The Authorised Limit)

5.4.1 As a consequence of 5.3.1 to 5.3.14 above, the Authorised Limit will be the upper limit of the Authority's borrowing, based on a realistic assessment of risks. It will be established at a level that will allow the Authority to borrow sums, in excess of those needed for normal capital expenditure purposes in the event that an exceptional situation arises and would allow for take-up of supported borrowing. It is not a limit that the Authority would expect to borrow up to on a regular basis.

5.4.2 The limit will include borrowing and other long-term liabilities such as finance leases, private finance schemes and deferred purchase schemes.

5.5 The Operational Boundary

5.5.1 This is based on the maximum level of external debt anticipated to be outstanding at any time in each year. It will be consistent with the assumptions made in calculating the borrowing requirements of the capital programme, but will also include an estimate of any borrowing for short term purposes, such as temporary shortfalls in incomes or to support active treasury management which would seek to take advantage of beneficial interest rate movements. It also allows for other long-term liabilities such as finance leases, private finance schemes and deferred purchase schemes.

5.5.2 The Operational Boundary should be set at a level which allows some flexibility but should be sufficiently below the Authorised Limit so that any breach of the operational boundary provides an early warning indicator of a potential breach of the Authorised Limit, allowing corrective action to be taken.

5.6 Interest Rate Exposure

5.6.1 The Authority's borrowing policy makes use of both fixed and variable rate opportunities. Whilst fixed-rate borrowing and investment provides certainty with regard to future interest rate fluctuations, the flexibility gained by the use of variable interest rate instruments can aid performance. It allows the Treasury Manager to respond more quickly to changes in the market and to short term fluctuations in cash flow without incurring the penalties that would result from the recall of fixed rate investments.

5.7 Maturity Structure of Borrowing

5.7.1 Whilst the periods of loans are dictated by the interest rates prevalent at the time, it is important to be mindful of the maturity profile of outstanding debt. Large 'peaks' are to be avoided, as it is possible for substantial loans to reach maturity at times when prevailing interest rates are high, and conversely, when interest rates are low, windows of opportunity may be lost.

5.7.2 As a result, it is necessary to determine both an upper and lower limit for borrowings which will mature in any one year.

5.7.3 Over the course of the medium term financial plan and future years, a number of high interest rate PWLB loans will mature resulting in a saving to the Authority as the interest rate on replacement loans are likely to be lower in comparison.

5.7.4 Historically, the Authority has favoured PWLB loans with a twenty five year loan maturity profile, but in the current climate of low interest rates (including Bank Rate); the Authority will also consider shorter dated loans (including local authority borrowing) to fund capital expenditure. Periods in excess of 25 years should also be considered in the event interest rates become advantageous.

5.7.5 The Authority has £30m of LOBO loans (Lender's Option Borrower's option) of which £20m of these can be "called" within 2019/20. A LOBO is called at its contract review date when the Lender is able to amend the interest rate on the loan at which point the Borrower can accept the new terms or reject and repay the loan. Any LOBOs called will be discussed with the Treasury Management Adviser prior to acceptance of any revised terms. Depending on the advice received, the Authority will consider, in the event of a repayment, the use of its cash investments balances or raising new debt to repay the loan.

5.8 Gross Debt and the Capital Financing Requirement

5.8.1 A further requirement of the revised Prudential Code is to ensure that over the medium term debt will only be for a capital purpose, the Authority will ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

5.9 Debt Rescheduling

5.9.1 Due to the difference in the rates, it is unlikely that there will be many viable opportunities to reschedule loans (General Fund and the HRA) in the foreseeable future. However, should any such opportunities arise; any decision on debt rescheduling will be supported by the appropriate report detailing the options and potential savings from the Authority's Treasury Management Adviser.

5.10 Policy on Borrowing In advance of Need

5.10.1 Whilst the Authority is able to borrow in advance of need, it is a requirement of the Code that any instance of pre-funding must be supported by a clear business case setting out the reasons for such activity.

5.11 Annual Investment Strategy

5.11.1 The CIPFA Code and the Welsh Government Guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk receiving unsuitably low investment income.

5.11.2 **Current strategy (2018/19)** - At present the Authority lends to financial institutions, corporates and the UK Government using a range of financial instruments to diversify risk. These include unsecured corporate bonds; covered bonds (secured); fixed term deposits; certificate of deposits (CDs); T-Bills; the DMADF (DMO) money market funds and call accounts.

5.11.3 The 2019/20 Investment Strategy will continue with the lending approach as set out in the 2018/19 Strategy. Considerations will be given to pooled investments (property funds) and non-treasury investments for the purpose of enhancing returns.

5.11.4 This Strategy (2019/20), in line with the Welsh Government guidance, sets out the Authority's policies for (and in order of priority) the security, liquidity and yield of its investments. It will have regard to credit ratings and determine the periods for which funds may be prudently invested, whilst aiming to achieve, or better a target rate for investments of **0.50% (the DMO rate)**. Creditworthiness approach, investment periods and the rationale for the target rate are explained in **Appendix 3**. The Authority's objective when investing cash is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

5.11.5 The strategy sets out which investments the Authority may use for the prudent management of its balances during the financial year within the areas of 'specified' and 'non-specified' investments, and provides the appropriate authorisation for the in-house investment team to manage such investments. These are listed in **Appendix 4**.

5.11.6 The Authority will continue to diversify into more secure and/or higher yielding asset classes during 2019/20 in order to mitigate the risk stemming from regulations associated with Bank Bail-In. Short-term cash that is required for liquidity management will be deposited with local authorities (secured), Government securities (secured), money market funds (unsecured) and bank and building society investments (unsecured). Up to £50m will be made available for long-term investments.

5.11.7 In view of the ongoing volatility in the economy, and bank bail in risk, it is recommended that investments (both new and maturing) be placed with the most secure institutions as well as the most secure instruments (subject to liquidity requirements) as detailed in **Appendix 3**. Currently this would be AAA rated covered bonds, the Government (Debt Management Account Facility and Treasury Bills and Gilts), other Local Authorities and Public Bodies, such as Police and Fire Authorities, Repos, Registered Landlords, AAA Money Market Funds, and highly credit rated banks (subject to the creditworthiness limits referred to in the appendix 3). In light of Statutory and regulatory changes adopted by the Bank of England and Regulators with respect to Bail-In, it is recommended that the Authority moves away from unsecured lending (where possible and subject to liquidity requirements) to secured investments.

- 5.11.8 With respect to Repo agreements, Repo/Reverse Repo is accepted as a form of securitised lending and should be based on the GMRA 2000 (Global Master Repo Agreement). Should the counterparty not meet our senior unsecured rating then a 102% collateralisation would be required. The acceptable collateral can be anyone or combination of the following securities:
- Index linked Gilts
 - Conventional Gilts
 - UK Treasury bills
 - DBV (Delivery By Value)
 - Corporate bonds
- 5.11.9 The Welsh Government maintains that the borrowing of monies for the purposes of investing or on-lending to benefit from differences in interest rates is unlawful. This Authority will not engage in such activity.
- 5.11.10 Under the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2004 regulation 12(b), the acquisition of share or loan capital in any body corporate would not be defined as capital expenditure as long as it is an investment for the purposes of the prudent management of the Authority's financial affairs. Due to the high risk of capital loss involved with such instruments, this Authority will not engage in such activity.
- 5.11.11 A loan or grant to another body for capital expenditure by that body is also deemed by the 2003 Regulations to be capital expenditure by the Authority. This Authority will only engage in such activity with the approval of Council.
- 5.11.12 In the event that any existing investment appears to be at risk of loss, the Authority will make proper revenue provision of an appropriate amount in accordance with the relevant Accounting Regulations.
- 5.11.13 At the end of the financial year, the Authority will prepare a report on its investment activity as part of its Annual Treasury Management Strategy Report. This report will be supported throughout the year by quarterly monitoring reports to the Policy & Resources Scrutiny Committee (the responsible body for scrutiny of Treasury Management activities as required by the Code), which will include a review of the current strategy. A report to Council will also be prepared on a half-yearly basis.
- 5.11.14 It is a fundamental requirement of the Code that officers engaged in Treasury Management follow all Treasury Management policies and procedures and all activities must comply with the Annual Strategy.
- 5.11.15 The Welsh Government has reservations with regard to borrowing in advance of need on the grounds that more money than is strictly necessary is likely to be put at risk in the investment market. As a result Officers must report any investment made as a result of borrowing in advance and must set out the maximum period for which the funds can be prudently committed. In the event that this Authority decides to take up such borrowing, it is suggested that any deposit made with these funds be limited to a maturity period of up to twelve months and pro-rata to coincide with the profiling of capital expenditure.

6. POLICY ON USE OF FINANCIAL DERIVATIVES

- 6.1 The Localism Act 2011 includes a general power of competence that removes the uncertain legal position over English local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment). Although this change does not apply to Wales, the latest CIPFA Code requires authorities to clearly detail their policy on the use of derivatives in the Annual Treasury Management Strategy.

- 6.2 In the absence of any legislative power, the Authority's policy is not to enter into standalone financial derivatives transactions such as swaps, forwards, futures and options. Embedded derivatives will not be subject to this policy, although the risks they present will be managed in line with the overall risk management strategy.

7. NON-TREASURY INVESTMENTS

- 7.1 Although not classed as treasury management activities and therefore not covered by the CIPFA Code or the WG Guidance, the Authority may also purchase property for investment purposes and may also make loans and investments for service purposes. Such loans and investments will be subject to the Authority's normal approval processes for revenue and capital expenditure and need not comply with this treasury management strategy.

8. TREASURY MANAGEMENT ADVISER

- 8.1 The Authority has appointed Arlingclose Limited as its external Treasury Management Adviser and receives a number of services including specific advice on investment, debt and capital finance issues; counterparty advice; economic forecasts and commentary; workshops, training and seminar events; and technical advice (including accountancy).

9. TREASURY MANAGEMENT TRAINING

- 9.1 The revised CIPFA Code, adopted by the Authority in January 2012, requires that Local Authorities must ensure that all staff and those Members with responsibility for Treasury Management receive the appropriate training. To this end the following will be observed:
- The contract for Treasury Consultancy Services includes requirements for Member and Officer training to be provided during any year.
 - Officers will attend any courses/seminars that are appropriate especially where new regulations are to be discussed.
 - Officers will update Members during the financial year by way of seminars/workshops/reports.
 - Officers will utilise on line access to the CIPFA Treasury Forum and the CIPFA Technical Information Service.
 - Relevant staff is encouraged to study professional qualifications from CIPFA; the Association of Corporate Treasurers; and other relevant organisations.
- 9.2 Officers will look to schedule Member training for autumn 2019. Further training will be undertaken as and when required.

10. PRUDENTIAL INDICATORS

10.1 Capital Financing Requirement

- 10.1.1 The Capital Financing Requirement (CFR) measures the authority's underlying need to borrow for a capital purpose. In accordance with best professional practice, the authority does not associate borrowing with particular items or types of expenditure. CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years.
- 10.1.2 The capital financing requirement is below the authorised borrowing limits in order to allow scope for short-term cash flow borrowing and provision for unforeseen contingencies.

10.1.3 The estimated values of Capital Financing Requirement for the period under review are shown in *Appendix 6* attached.

10.2 Prudential Indicators – “Prudence”

10.2.1 The proposed Prudential Indicators for Treasury Management Strategy are detailed in *Appendix 5*.

10.3 Prudential Indicators – “Affordability” [Appendices 6 and 7]

10.3.1 There is a requirement to analyse and report the capital financing costs, and express those costs as a percentage of the net revenue streams of the Authority.

10.3.2 The estimate of the incremental effect on council tax and housing rents for 2019/20 as a consequence of the proposed capital investment is shown in **Appendix 6**. It should be noted that this is a notional, not an actual, figure.

10.3.3 The General Fund future revenue streams are based upon the content of “the Budget Report”.

10.3.4 Future revenue streams for Housing Revenue Account (H.R.A.) have been projected on the basis of 3% inflation (1.5% inflation and 1.5% growth) applied to the rental income (using 2018/19 as a base), less an adjustment for estimated reduction in housing stock as a result of the “Right to Buy” sales.

10.4 Capital Expenditure and Funding

10.4.1 The summary Capital Expenditure and funding, as shown in **Appendix 7** of this report has been considered in “the Budget Report”. The capital expenditure and funding detailed in Appendix 7 is subject to further change in the final report that will be presented to Full Council in light of General Fund working balances being made available to support the core capital programme.

10.4.2 The Revenue Support Grant (RSG) provided by the Welsh Government (WG) includes an element to off-set the costs of borrowing funds for capital purposes. WG has announced supported borrowings of £4.92m in respect of the 2019/20 financial year, together with General Capital Grant funding of £4.66m.

10.4.3 For calculation purposes, it has been assumed that those two elements of funding support will remain static for 2020/21 and for 2021/22. HRA provisional values for the years 2019-2022 are based on the 2019/20 allocation of the Major Repairs Allowance of £7.35m and assumed to continue at this level for future years.

11. MINIMUM REVENUE PROVISION (MRP)

11.1 In accordance with the Amendment Regulations, rather than applying a defined formula, the Authority is now only required to apply a charge that is ‘prudent’. A “prudent” period of time for debt repayment is defined as one which reflects the period over which the associated capital expenditure provides benefits.

11.2 The Amendment Regulations also introduced an additional reporting requirement. Authorities are now required to submit to full Council, for approval, an Annual MRP Statement, setting out the policy to be adopted for the year following.

11.3 The Authority will continue to apply the revised MRP policy that was agreed by Members on 24th January 2017. MRP on supported borrowings will be charged at 2% over 50 years. MRP on unsupported borrowings will be charged at the PWLB annuity loan rate equivalent to the life of the asset. The MRP policy is detailed in Appendix 8.

12. OTHER LOCAL ISSUES

12.1 The Authority's Banker

12.1.1 The Authority will ensure that its day-to-day banking activity is undertaken with an investment grade bank. If the Authority's Bank is downgraded during the contract period (as specified under the Banking Services Contract) to non-investment grade, reasonable measures will need to be undertaken to mitigate the risk associated with further downgrades, and the risk of losing funds if the Bank was to default.

12.1.2 Reasonable measures will need to include (and not limited to) keeping balances to a minimum; hourly review of bank balances for the Group Accounts and subsequently transferring surplus balances to a Call Account; re-routing material income (maturing investments, grants) to a bank account held outside of the existing bank arrangement; and consideration of contingency banking arrangements with another bank should the risk be severe to the Authority's operational requirements. Cabinet will be kept informed if such risks arise.

12.2 Policy on Apportioning Interest to the HRA

12.2.1 On 1st April 2015 the HRA exited the subsidy mechanism by way of the HRA buyout process. As a result, the Authority will operate a single consolidated pool of debt that will hold all debt (new and old loans), and annually recharge the HRA the interest payable on all loans using the average rate of interest as a recharge rate.

12.3 Markets in Financial Instruments Directive: The Authority has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Authority's treasury management activities, the Chief Financial Officer believes this to be the most appropriate status.

12.4 IFRS 9 Classification

12.4.1 Under the new IFRS 9 standard, the accounting for certain investments depends on the Authority's "business model" for managing them. The Authority aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost

13. WELL-BEING OF FUTURE GENERATIONS

13.1 The establishment of treasury management strategy is a key element of effective financial management and risk management of the Authority's cash balances, investments and the timely service of debt, which assists the achievement of the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015.

14. EQUALITIES IMPLICATIONS

14.1 An Equality Impact Assessment has been undertaken with respect to 2019/20 borrowing requirement. A one off budgetary saving of £500k will be generated from the debt management budget by way of deferring 2019/20 borrowing requirement to 2020/21 financial year. The budget is held by Corporate Finance and used to service new planned debt. New debt is raised to finance capital schemes. There will be no impact on service users or the capital programme.

15. FINANCIAL IMPLICATIONS

- 15.1 The Treasury Management Strategy for 2019/20 as outlined in this report, if approved by Members, is likely to generate estimated interest of £800k and this has been reflected in the budget report for 2019/20. Although the Authority has a new borrowing requirement of £27.60m in 2019/20 to fund the capital programme and replenish internal borrowing, £14.29m will be deferred into 2020/21 in order to generate a one off MTFP saving of £500k in 2019/20.

16. PERSONNEL IMPLICATIONS

- 16.1 There are no personnel implications.

17. CONSULTATION

- 17.1 No external consultation is required for the purposes of the report. However, advice has been sought from the Authority's current Treasury Management Adviser.

18. RECOMMENDATIONS

- 18.1 It is recommended that the Treasury Management Strategy report is considered and noted by the Policy and Resources Scrutiny Committee prior to Council approval. The key points arising from the report is as follows:
- 18.1.2 The Scrutiny Committee are asked to recommend to Council that the strategy is reviewed quarterly within the Treasury Management monitoring reports presented to Policy & Resources Scrutiny Committee and any changes recommended be referred to Cabinet, in the first instance, and to Council for a decision. The Authority will also prepare a half-yearly report on Treasury Management activities.
- 18.1.3 The Scrutiny Committee are asked to recommend to Council that the setting of Prudential Indicators for Treasury Management for the financial years 2019/20 to 2021/22 as per Appendix 5 be approved.
- 18.1.4 The Scrutiny Committee are asked to recommend to Council that the setting of Prudential Indicators for Capital Financing for the financial years 2019/20 to 2021/22 as per Appendix 6 & 7 be approved.
- 18.1.5 The Scrutiny Committee are asked to recommend to Council that the MRP policy be set for 2019/20 as set out in Appendix 8.
- 18.1.6 The Scrutiny Committee are asked to recommend to Council that the continuation of the 2018/19 investment strategy and the lending to financial institutions and Corporates in accordance with the minimum credit rating criteria disclosed within this report.
- 18.1.7 The Scrutiny Committee are asked to recommend to Council that the Authority borrows £27.4m (albeit defer £14.29m into 2020/21) for the General Fund to support the 2019/20 capital programme and £44.2m for the HRA WHQS programme.
- 18.1.8 The Scrutiny Committee are asked to recommend to Council that the Authority continues to adopt the investment grade scale as a minimum credit rating criteria as a means to assess the credit worthiness of suitable counterparties when placing investments.
- 18.1.9 The Scrutiny Committee are asked to recommend to Council that the Authority adopts the monetary and investment duration limits as set in Appendix 3 of the report.

19. REASONS FOR THE RECOMMENDATIONS

- 19.1 The Annual Strategy report is a requirement of the CIPFA “Code of Practice for Treasury Management in the Public Services”.
- 19.2 The Investment Strategy is a requirement of the Local Government Act 2003.
- 19.3 To comply with the legislative framework and requirements as indicated in paragraphs 2.1 to 2.5.

20. STATUTORY POWER

- 20.1 Local Government Act 1972.

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Consultees: Christina Harrhy - Interim Chief Executive
Richard Edmunds – Corporate Director for Education & Corporate Services
Nicole Scammell - Head of Corporate Finance & S151 Officer
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Robert Tranter - Head of Legal Services & monitoring Officer
Cllr Barbara Jones - Deputy Leader & Cabinet Member for Finance, Performance and Governance

Appendices:
Appendix 1 Local Government Investments – Definitions
Appendix 2 Interest Rates – Forecasts/Indicative
Appendix 3 Credit Policy, Investment Ratings, Periods and Targets
Appendix 4 Investments to be used and “in house” authorisations
Appendix 5 Treasury Management Strategy Indicators
Appendix 6 Prudential Indicators – Capital Finance
Appendix 7 Capital Expenditure and Funding
Appendix 8 MRP Policy

Local Government Treasury Management Definitions

- **Investment**

In the context of a local authority cash deposit, an investment is a monetary asset deposited with a credible institution with the objective of providing income in the future. This is a transaction which relies upon the power in section 12 of the 2003 Act and is recorded in the balance sheet under the heading of investments within current assets or long-term investments.

- **Long-term Investment**

This is any investment other than one which is contractually committed to be paid within 12 months of the date on which the investment was made.

- **Credit Rating Agency**

An independent company that provides investors with assessments of an investment's risk and the three most prominent are.

Standard and Poor's (S & P)

Moody's Investors Service Limited (Moody's)

Fitch Ratings Limited (Fitch)

- **Specified Investment**

An investment is a specified investment if it satisfies the following conditions:

1. The investment is denominated in sterling and any payments or repayments in respect of the investment are payable only in sterling.
2. The investment is not a long-term investment (as defined above).
3. The investment is not considered to be capital expenditure.
4. One or both of the following conditions is both:
 - The investment is made with the UK Government or a local authority (as defined in section 23 of the 2003 Act) or local authorities in Scotland and Northern Ireland or a parish or community council.
 - The investment is made with a body or in an investment scheme which has been awarded a high credit rating by a credit rating agency
5. The principal sum to be repaid at maturity is the same as the initial sum invested other than investments in the UK Government.

- **Non-specified Investments**

These are investments, which do not meet the conditions of specified investments.

Appendix 2 Interest Rate Forecasts

Bank Rate (Forecasts as at December 2018 and subject to change)

	Arlingclose (Central case)
2019/20 Q1	1.00%
Q2	1.00%
Q3	1.25%
Q4	1.25%
2020/21	1.25%
2021/22	1.25%

PWLB (Forecasts as at December 2018 and subject to change- Source Arlingclose (Central case))

	Q1 – 2019/20	Q2 – 2019/20	Q3 – 2019/20	Q4 – 2019/20
5 Year	1.35%	1.35%	1.50%	1.40%
10 Year	1.70%	1.80%	1.80%	1.75%
25 year	2.20%	2.20%	2.20%	2.20%
50 Year	2.00%	2.00%	2.00%	2.00%

For budget setting and financial planning, the following rates have been assumed.

Budget Period	Investment Returns	Borrowing Rates (PWLB 50 Years)
2019/20	1.00%	3.50%
2020/21	1.20%	4.50%
2021/22	1.40%	4.50%
2022/23	1.40%	5.00%
2023/24	1.50%	5.00%

Appendix 3 Credit Risk Policy

Bank Bail-In

Bail-in legislation has now been fully implemented in the European Union, Switzerland and USA, while Australia and Canada are progressing with their own plans. In addition, the largest UK banks will ringfence their retail banking functions into separate legal entities during 2018. The impact of the structural change on the banks credit rating was minimal. Bail-In proposals, an approach where retail customers of a failing bank are protected under compensation schemes (up to a threshold) and losses are covered by investor's equity capital in the first instance, followed by junior debt and then senior unsecured debt and deposits.

A bail-in is likely, although not certain, to happen over the course of a weekend, with much of the preparatory work having been undertaken in advance as the bank continues to fail regulatory conditions. The announcement of a bail-in, including which creditors will be affected, will normally be made by the Bank of England on a Sunday evening before the Asian markets open. Apart from the affected creditors, the bank will open for business as normal on the Monday morning. Where a banking group comprises several UK bank companies, it is likely that all group banks will be bailed-in together. Separately capitalized subsidiaries in other countries might not be bailed-in; that will be a matter for the local regulator. Before a bail-in, the bank's ordinary shareholders will have their shares expropriated and they will therefore no longer be the bank's owners. Building societies, which are mutually owned by their customers, will be converted to banks before bail-in. Hybrid capital instruments that convert to equity in certain circumstances will also be converted. Creditors will then be bailed-in in this order:

- junior or subordinated bonds, in order of increasing seniority;
- senior unsecured bonds issued by the non-operating holding company (if any);
- senior unsecured bonds issued by the operating bank companies;
- **Unsecured deposits (money market funds, call accounts and fixed-term deposits with banks and building societies) and certificates of deposit (except interbank deposits of less than seven days original maturity); and**
- **Insured deposits that are larger than the FSCS £85,000 coverage limit.**

Subject to cashflow liquidity requirements, the Authority will manage bail-in risk by way of investing surplus cash in instruments that are considered to be exempt from bail-in and include (and in no particular order) the Government, Corporate bonds, Registered Providers (Housing Associations) and secured bank instruments (Repos, Covered Bonds and other collateralised instruments). These instruments are considered to have a medium to long-term investment horizon, and therefore it is likely that the Authority will hold investment instruments with financial institutions that will not be exempt from the bank bail-in process such as fixed term deposits, call accounts and money market funds. The Authority will look to limit such holdings for the purpose of managing liquidity.

Counterparty Criteria

The Authority considers, in order of priority, security, liquidity and yield when making investment decisions. Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Authority's assessment of counterparty credit risk. The intention of the strategy is to provide security of investment and minimisation of risk which will also enable diversification and thus avoidance of concentration risk.

The Authority also considers alternative assessments of credit strength, and information on corporate developments of and market sentiment towards counterparties. In accordance with the 2017 Treasury Management Code of Practice, the Authority will use the following key tools to assess credit risk:

- Published credit ratings of the financial institution and its sovereign rating;
- Sovereign support mechanisms;
- Credit default swaps (where quoted);
- Share prices (where available);
- Economic fundamentals, such as a country's net debt as a percentage of its GDP;
- Corporate developments, news, articles, markets sentiment and momentum;
- Subjective overlay.

The only indicators with prescriptive values remain to be credit ratings. Other indicators of creditworthiness are considered in relative rather than absolute terms.

The Authority is advised by Arlingclose Limited, who provides counterparty risk management services. Credit rating lists are obtained and monitored by Arlingclose, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made;
- any existing investments that can be recalled or sold at no cost will be, and
- Full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn [on the next working day] will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

The Authority defines "high credit quality" organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds "high credit quality" is defined as those having a credit rating of A- or higher.

Due to the ongoing strengthening of bank regulations it is recommended that the Authority adopts the Investment Grade scale as the minimum credit rating criteria. This will enable greater flexibility when placing investments especially during periods of regulatory stress tests where the outcome can result in a downsized counterparty list as a result of the downgrading of credit ratings. Furthermore, the need to hold a diversified investment portfolio and the impact of bank bail-in regulations means that the Authority will need to adopt a more structured credit rating criteria matrix for specific instruments. **The table below details maximum monetary and investment duration limits.**

Maximum Monetary and Investment Duration Limits						
Credit Rating (Long-Term)	Banks Unsecured	Banks Secured	Government	Local Authorities	Corporates	Registered Providers
UK Govt	-	-	£ Unlimited 50 years	-	-	-
AAA	£20m 5 years	£20m 20 years	£20m 50 years	£20m 50 years	£10m 20 years	£10m 20 years
AA+	£10m 5 years	£20m 10 years	£20m 25 years	£10m 25 years	£10m 10 years	£10m 10 years
AA	£10m 4 years	£20m 5 years	£20m 15 years	£10m 15 years	£10m 5 years	£10m 10 years
AA-	£10m 3 years	£20m 4 years	£20m 10 years	£10m 10 years	£10m 4 years	£10m 10 years
A+	£10m 2 years	£20m 3 years	£10m 5 years	£10m 5 years	£10m 3 years	£10m 5 years
A	£10m 13 months	£20m 2 years	£10m 5 years	£10m 5 years	£10m 2 years	£10m 5 years
A-	£10m 6 months	£20m 13 months	£10m 5 years	£10m 5 years	£10m 13 months	£10m 5 years
BBB+	£10m 100 days	£10m 6 months	£10m 2 years	£10m 2 years	£10m 6 months	£10m 2 years
BBB	£5m next day only	£5m next day only	-	£5m next day only	-	£5m next day only
None Rated	£1m 6 months	-	£5m 25 years	-	-	£5m 5 years
Pooled funds		£20m per fund				

Credit rating: Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

Banks Unsecured: Call accounts, term deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. Unsecured investment with banks rated BBB are restricted to overnight deposits at the Authority's current account bank [Barclays Bank Plc] or the Debt

Management Office. The use of Banks unsecured instruments will be limited to aid the management of cashflow liquidity. In accordance with advice from the Authority's Treasury Management adviser, International banks will also be considered.

Banks Secured: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the highest of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments. Investments placed in conjunction with a Repo Agreement will be classed as a secured investment.

Government: The Debt Management Office, Loans, bonds and bills issued or guaranteed by national governments and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years. Multilateral / Supranational institutions and State Agencies will also be classed as Government institutions as a number of sovereign states are key shareholders.

Local Authorities: Fixed term deposits / bills/ Bonds issued by local and regional authorities who include police and fire authorities. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Local authorities are not rated by credit rating agencies (though a handful of authorities have obtained a credit rating), but it is assumed that local authorities have the same credit rating as the UK Government (AA). Therefore a limit of £10m and duration of 15 years will be applied.

Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made as part of a diversified pool in order to spread the risk widely.

Registered Providers: Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations. These bodies are tightly regulated by the Homes and Communities Agency and, as providers of public services; they retain the likelihood of receiving government support if needed.

Pooled Funds: Shares or units in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. **Money Market Funds** that offer same-day liquidity and aim for a constant net asset value will be used as an alternative to instant access bank accounts to manage short-term liquidity, while **pooled funds** whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

Real estate investment trusts: Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

Investment periods

- **Short-term (up to 365 days)**

At the time of writing, all short-term investments are managed in-house as a result of day-to-day cash flow management.

For the purpose of flexibility to respond to day-to-day cash flow demands, the proposed minimum percentage of its overall investments that the Authority will hold in short-term investments is **40%**.

Members are reminded that once a deposit has been made for a fixed period it can only be withdrawn (repaid early) by mutual consent albeit at a cost and subject to the underlying terms and conditions of the contract.

- **Long-term (one year and over)**

The Authority will continue to invest in long-term investments. Excluding the UK Government, It is suggested that no more than £20m be placed with any one institution with duration as set out in the table above. The Authority will not have more than £50m deposited in long-term investments (the Upper Limit).

Target Rate

Forecasts of base rate can be quite diverse as illustrated by the table in **Appendix 2**. In view of the uncertainty inherent in such predictions, it would be imprudent to set a target rate which may be difficult to achieve. In view of the foregoing, it is proposed to set a target rate of return for short-term deposits in 2019/20 of at least **0.50%**.

This rate reflects the forecast of Bank Rate and the relationship between that rate and the rate achievable from the DMADF. If deposits are made with other counterparties as detailed in Section (a) of this Appendix, it is possible that the above rate could be exceeded.

Appendix 4 - Specified and Non-Specified Investments

Investments are categorised as “Specified” or “Non-Specified” within the investment guidance issued by the Welsh Government.

Specified investments are sterling denominated investments with a maximum maturity of one year. They also meet the “high credit quality” as determined by the Authority and are not deemed capital expenditure investments under Statute. Non specified investments are, effectively, everything else.

The Authority’s credit ratings criterion is set out in **Appendix 3** and will be consulted when using the investments set out below. Credit ratings are monitored on a daily basis and the Treasury Management Adviser will advise the Authority on rating changes and appropriate action to be taken.

The types of investments that will be used by the Authority and whether they are specified or non-specified are listed in the table below.

	Specified	Non-Specified
Government		
Debt Management Account Deposit Facility	✓	✗
Gilts (UK Government)	✓	✓
Treasury Bills (T-Bills- UK Government)	✓	✗
Bonds issued by AAA rated Multilateral Development Banks	✓	✓
Registered Providers (Housing Associations)		
Registered Providers (Housing Associations)	✓	✓
Corporates		
Corporate Bonds (including Floating Rate Notes and Commercial Paper)	✓	✓
Local Authorities		
Term deposits with other UK local authorities	✓	✓
Local Authority Bills / Bonds	✓	✓
Banks- Secured		
Repurchase Agreements (Repos)- Banks & Building Societies	✓	✓
Covered Bonds	✓	✓
Other Collateralised arrangements	✓	✓
Banks- Unsecured		
Term deposits with banks and building societies	✓	✗
Certificates of deposit with banks and building societies	✓	✗
AAA-Rated Money Market Funds	✓	✗
Authority's Banker	✓	✗
Pooled Funds (Variable Net Asset Valuation)		
Other Money Market and Collective Investment Schemes	✗	✓
Pooled Funds (Property)	✗	✓

Authorisation for the in-house team

A. Short-term Investments

Due to the nature of the in-house team's duties, in that they need to respond to cash-flow fluctuations by dealing on the money market generally between 8.00am and 10.00am each day, it is impractical for each decision to be referred to the most senior management levels.

As a result, it is proposed that day-to-day decisions remain the responsibility of the Group Accountant (Treasury Management & Capital) who is the *de facto* Treasury Manager. In the absence of the Group Accountant (Treasury Management & Capital), the responsibility will pass to any of the appropriate line managers.

It is proposed that all Treasury Management decisions that arise from the daily cashflow will be supported by the completion of a pro-forma which will evidence compliance with the strategy.

B. Long-term Investments

It is proposed that decisions regarding long-term investments be referred to the Head of Finance & S151 Officer (as Chief Financial Officer) after consultation with the Finance Manager for Corporate Finance.

C. General Authorisations

Whilst it is generally the intention to refer all decisions regarding long-term borrowing to the Head of Corporate Finance, there are times when to do so will risk the loss of a potentially advantageous deal, due to non-availability. This is particularly relevant to the raising of PWLB loans.

The Authority's Treasury Management Adviser continually monitors the movement of interest rates and is able to predict the changes in PWLB rates. On occasions it may be necessary to respond to advice from the Adviser to take up PWLB loans (whether as part of the current years funding requirement, or as part of a rescheduling exercise) before interest rates increase and make the necessary application to the PWLB before their cut-off time. In these circumstances, it is not always possible to have access to the Head of Corporate Finance, at short notice, for approval.

As a result, it is proposed that, in the event that the Head of Corporate Finance & S151 Officer is unavailable, the decision be referred, in the first instance, to the Interim Head of Business Improvement Services, Corporate Services & Deputy S151 Officer; then to Corporate Finance Manager. In the absence of all three, then the decision will be made by the Group Accountant (Treasury Management and Capital) provided that the reason for the transaction is appropriately documented, falls within the approved Annual Strategy and prudential indicators, and failure to act upon the advice given would result in additional interest charges.

In all of the foregoing, it must be remembered that any action taken, based on a view of interest rates, can only be assessed on the data available at the time.

Appendix 5 Treasury Management Strategy Indicators 2019/20-2021/22

	Budget 2019-20	Budget 2020-21	Budget 2021-22
	£000	£000	£000
Authorised limit for external debt -			
Borrowing	432,771	436,680	438,875
Other long term liabilities	30,653	28,480	26,388
Total	463,424	465,160	465,262
Operational boundary for external debt -			
Borrowing	346,217	349,344	351,100
Other long term liabilities	30,653	28,480	26,388
Total	376,870	377,824	377,487
Capital Financing Requirement	401,438	397,349	393,275
Upper limits for interest rate exposure			
Principal outstanding on borrowing	346,217	349,344	351,100
Principal outstanding on investments	75,000	75,000	75,000
Net principal outstanding	271,217	274,344	276,100
Fixed rate limit – 100%	271,217	274,344	276,100
Variable rate limit – 30%	81,365	82,303	82,830
Upper limit for total invested for over 365 days	50,000	50,000	50,000

Maturity structure of fixed rate borrowing	Upper Limit	Lower Limit
Under 12 months	35%	0%
Over 12 months and within 24 months	40%	0%
Over 2 years and within 5 years	50%	0%
Over 5 years and within 10 years	75%	0%
Over 10 years	100%	0%

Gross Debt and Net Debt	Budget 2019-20	Budget 2020-21	Budget 2021-22
	£000	£000	£000
Outstanding Borrowing	346,217	349,344	351,100
Other long term liabilities	30,653	28,480	26,388
Gross Debt	376,870	377,824	377,487
Less investments	75,000	75,000	75,000
Net Debt	301,870	302,824	302,487

Gross and The CFR	Budget 2019-20	Budget 2020-21	Budget 2021-22
	£000	£000	£000
Gross Debt	376,870	377,824	377,487
CFR	401,438	397,349	393,275

Appendix 6 - Prudential Indicators - Capital Finance

Ratio of Financing costs to net revenue stream	Budget 2019-20	Budget 2020-21	Budget 2021-22
General Fund	£000	£000	£000
Principal repayments	2,492	2,840	2,962
Interest costs	8,842	9,024	9,296
Debt Management costs	46	48	44
Rescheduling discount			
Investment income	-950	-1,000	-1,050
Interest applied to internal balances	735	763	792
Total General Fund	11,165	11,675	12,043
Net revenue stream	336,695	339,638	342,720
Total as percentage of net revenue stream	3.32%	3.44%	3.51%
Housing Revenue Account			
Principal repayments	2,555	2,940	2,859
Interest costs	6,563	6,451	6,262
Rescheduling discount			
Debt Management costs	43	34	32
Total HRA	9,161	9,426	9,154
Net revenue stream	49,100	50,500	52,000
Total as percentage of net revenue stream	18.66%	18.66%	17.60%

Capital financing requirement [end of year position]	Budget 2019-20	Budget 2020-21	Budget 2021-22
	£000	£000	£000
Council Fund	254,436	254,386	254,294
Housing Revenue Account	147,003	142,963	138,982
Total Authority	401,438	397,349	393,275

Appendix 7 - Capital Expenditure and Funding

	Budget 2019-20	Budget 2020-21	Budget 2021-22
Expenditure	£000	£000	£000
Council Fund	10,074	9,994	9,626
Housing Revenue Account	50,000	20,000	20,000
Total	60,074	29,994	29,626
Funding			
Surplus/ (Deficit) Balance b/f	-	-	-
Borrowings - Supported (GF)	4,923	4,923	4,923
General Capital Grant - WG	2,997	2,997	2,997
Internal Borrowing	-	-	-
RCCO Budget	128	128	128
Capital underspends frm previous years	326	306	-
General Fund working balances	-	-	-
One off funding- MRP Review	1,700	1,640	1,578
RCCO- (HRA)	19,750	12,650	12,650
Borrowings - Unsupported (HRA)	22,900	-	-
Major Repairs Allowance (HRA)	7,350	7,350	7,350
Total	60,074	29,994	29,626
Surplus C/f	-	-	-

Appendix 8 MRP 2019/20 Policy

The Minimum Revenue Provision (MRP) is an amount charged to the revenue account for the repayment of debt, which has been used to finance capital expenditure. The Local Government Act 2003 requires the Authority to have regard to the Welsh Government's Guidance on Minimum Revenue Provision (most recently issued in 2010).

The broad aim of the WG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The WG Guidance requires the Authority to approve an Annual MRP Statement each year. The Authority's MRP policy for 2019/20 is stated below.

Supported Borrowings

MRP on historic debt liability as at the 31st March 2007 and subsequent capital expenditure funded from supported borrowings will be charged to revenue over 50 years.

The MRP charge for supported borrowing will be based on an assumed annuity rate of 2%.

The annuity method results in a lower charge in earlier years and a higher charge in the later years, and takes into consideration the time value of money.

Unsupported Borrowings

The MRP charge for individual assets funded through unsupported borrowing will be based on the estimated life of each asset or 25 years where this cannot be determined.

The MRP charge for unsupported borrowing will be based on the average Public Works Loan Board (PWLB) interest rate for new annuity loans in the year that an asset becomes operational.

Advice on asset life (land and buildings) will be sought from the Council's property valuation team. The first MRP Charge will start in the year after the asset becomes operational.

MRP Charges Relating to Other Capital Expenditure

- 1 For assets acquired by finance leases or the Private Finance Initiative [and for the transferred debt from local authorities], MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
- 2 For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational.

- 3 The MRP charge for the HRA will be determined by using an interest rate of 2% on the opening capital financing requirement on a reducing balance basis.

Capital expenditure incurred during 2019/20 that is financed by debt will not be subject to a MRP charge until 2020/21.



POLICY AND RESOURCES SCRUTINY COMMITTEE – 15TH JANUARY 2019

SUBJECT: HOUSING REVENUE ACCOUNT CHARGES - 2019/2020

REPORT BY: CORPORATE DIRECTOR - SOCIAL SERVICES AND HOUSING

1. PURPOSE OF REPORT

- 1.1 For Members to consider and take a view on the increased Housing rent charges proposed in this report, prior to consideration by Cabinet on the 30th January 2019. The charges predominantly focus on council house rents and are intended to be effective for the Housing Revenue Account (HRA) for the 2019/20 financial year.

2. SUMMARY

- 2.1 Members will be aware that the preparation of the Housing Revenue Account (HRA) budget is quite separate to the work involved in setting the General Fund Budget and Council Tax. The HRA is funded by rental income received from council tenants rather than the Council Tax Payer. Whilst there is a clear separation of these funds, the majority of council tenants rent is funded from housing benefits which is derived from the tax payers' purse, therefore value for money must always be sought. We charge our council tenants rent over a 48 week basis but The Welsh Government (WG) base their rents on a 52 week basis so this report shows the 52 week equivalent.
- In previous years WG determined the annual guideline rent increases. The standard uplift policy for Local Authorities used to be based on the previous September Retail Price Index (RPI) plus a 2% real increase in support of rent convergence. The Minister for Housing and Regeneration changed this uplift policy as part of the new Policy for Social Housing Rents in April 2015 and was accepted by Members in the 2015/16 HRA charges report. The policy sets a target rent band for each Authority and if the average weekly rent is below the target rent, the Authority will have to increase average rents, and if the average weekly rent is above the target rent, average rents will increase at a lower rate, to bring the rent back within the target envelope.
 - The uplift on the new rent policy was fixed for five years up to 2018/19 and uses the previous September Consumer Price Index (CPI) inflation figure (as opposed to the RPI inflation figure) and also applied a 1.5% real increase to the average local authority rent. There was also an option to add up to £2 per week if social landlords needed to increase their rent to keep in line with their rent envelope, or if rents were being restructured and if their local rent policy was being revised.
 - 2018/19 was the final year of the existing five year agreement and it has been expected that rent increases will see a reduction due to the pressure The Minister for Housing and Regeneration has when comparing Welsh rents to those in England where rents are required to be reduced by 1% a year for 4 years from their 2015/16 baseline. The Minister has considered the position for 2019/20 and has agreed that the increase should be CPI

only. The discretion to apply “up to £2 per week” has been removed for those social landlords whose average weekly rent is within or above their Target Rent Band. This decision will apply for one year only (2019/20) while Welsh Government are awaiting the outcome of the Affordable Housing Supply Review.

- The previous Septembers CPI inflation figure was 2.4%.
- The Business Plan assumed a rent increase of 3%
- By applying 2.4% to our average rent means we are just below the lowest Target Rent Band, therefore this can be increased up to a maximum of £2 to ensure we are within the envelope range.
- In order to be at the minimum of the Target Rent Band a minimum increase of 2.7% is necessary.
- In order to meet the requirement of the Housing Business plan an increase of 3% is necessary
- The maximum increase allowed under the current rent policy is 4.74%.

- 2.2 The responsibility for setting the rents for individual dwellings remains with the individual landlords, however the current policy sets a target rent band, or envelope, for each landlord who will be required to operate with average weekly rent levels that fall within the scope of those bands. The policy is intended to provide landlords with a continuing measure of discretion over their overall rent levels and there is no proposal to alter Caerphilly CBC’s current rent structure for the 2019/20 rent charges, only to apply an increase that is within the current policy and also supports the Housing Business Plan.
- 2.3 The target rent bands provide a low end figure, a mid-point and a high end figure for each landlord. The average weekly rent level for each landlord is compared to the target rent band and the difference dictates what level the rent needs to be adjusted to fall within the target rent band.
- 2.4 In order to meet the deadlines for advising tenants of increases in rents and other charges, the increases have to be determined and fully agreed by 27th February 2019. All charges must be formally agreed (including call in period) by this date or it will not allow sufficient time for notice of increase to tenants, which is a legal requirement. Any delay in notifying tenants would result in a minimum rental loss of about £26k per week (based on a 2.7% increase)
- 2.5 All relevant charges are highlighted within this report detailing the amount of additional income that would be generated (excluding voids) if the proposed increases were implemented, along with the percentage of service users receiving housing benefit
- 2.6 The report also includes proposals for garage rental income.
- 2.7 Service Charges for sheltered schemes no longer form part of this report as they were recently reviewed under the Housing (Wales) Act 2014 requirement and are now charged on a retrospective actual basis per scheme.

3. LINKS TO STRATEGY

- 3.1 The recommendations within this report provide the council with additional income that will be used to supplement existing funding arrangements to provide management, repair and improvement of the housing stock. This funding is used to maximize the resources available to assist in meeting and maintaining the WHQS. The rent increase is applied equally to all tenants. The report therefore links to the following strategic objectives:

- The Caerphilly We Want (CCBC, 2018-2023) – Well-Being Plan Objective 4: Positive Places – Enabling our communities to be resilient and sustainable
- Corporate Plan (CCBC, 2018-2023) Well-being Objective 3: the availability, condition and sustainability of homes throughout the county borough and provide advice, assistance or support to help improve peoples well-being.
- Caerphilly Homes Service Plan.

3.2 Improving Lives and Communities: Homes in Wales (Welsh Government, 2010) which sets out the national context on meeting housing need, homelessness and housing related support services.

3.3 Effective financial planning and financial control contribute to the following Well-being Goals within the Well-being of Future Generations Act (Wales) 2015: -

- A prosperous Wales.
- A resilient Wales.
- A healthier Wales.
- A more equal Wales.
- A Wales of cohesive communities.
- A globally responsible Wales

3.4 Whilst Housing services contribute towards the Act, this is a financial report for information only and therefore does not directly contribute towards the above wellbeing goals.

4. THE REPORT

4.1 Rent Increase

4.1.1 For a number of years the WG have effectively determined the level of annual rent increases, and these increases have been linked with the Housing Revenue Account Subsidy (HRAS) calculations, thus restricting an Authority from completely controlling its rental income. Members will be aware of the buyout of the HRAS system which introduced self-financing from April 2015

4.1.2 Under the current rent policy a target rent band for each Authority is set by WG so there is still some degree of control retained by WG however, all of the rental income will be retained by the Authority and used to fund expenditure, service debt and create borrowing headroom to support the delivery of WHQS and future investment.

4.1.3 As a result of the housing benefit limitation scheme, rent increases above DWP rent limits do not produce extra income from tenants in receipt of housing benefit. At this stage however, as in previous years, details regarding the DWP limit under the current rent policy are yet to be confirmed. Approximately 71% of tenants are in receipt of housing benefit.

4.1.4 The WG draft proposal for 2019/2020 of its policy rent band for CCBC is:

- Low end £87.84 per week
- Mid point £92.46 per week
- High end £97.08 per week

- 4.1.5 CCBC's current average rent debit for 2018/19 is £85.57 (52 week basis) which met the minimum rent band for 2018/19. By applying a 2.4% increase means our average rent will be £87.62, which is slightly below the rent envelope. To ensure we are within our rent envelope a minimum increase of 2.7% is necessary which would take our rent at the absolute low end point of £87.84. In previous years we have been above the low end and just under the mid point level. The 2018/19 Housing Business Plan however assumed a 3% rent increase for 2019/20 which was on the assumption that the rent policy would reduce to CPI plus 1%. Although the CPI level is higher, the "plus 1%" has been removed for 2019/20 meaning that the rent increase is lower than anticipated for the business plan.
- 4.1.6 Initially, WG have stated in their policy that "*The rent policy allows you to apply the inflation plus £2 (per week) if you are aiming to move to a higher point within the Target Rent Band to meet your business plan commitments...*" This has been removed for 2019/20 and the "plus £2" can now only be implemented if Social Housing Landlords are below the rent envelope. Therefore the lowest increase we can apply in order to move within the rent envelope is 2.7%, which is equivalent to 2.4% plus 24p. However, as we are one of those authorities currently below the target we can apply up to the "plus £2" on top of the CPI of 2.4%
- 4.1.7 The current average rent for CCBC is £85.57 based on 52 weeks. The latest business plan submitted to WG in March 2018 included a rent increase of 3% for 2019/20 (assuming CPI would be 2%) and this resulted in a £43.6m borrowing requirement in order to meet the WHQS by 2020. A rent increase of less than 3% will mean less income for the WHQS programme which will obviously result in increased borrowing. Factoring this reduction into the current business plan results in additional borrowing of £200k, but still remains viable. However this is on the assumption that the following years rent increase remain at 3% and all other assumptions remain the same. As part of the HRAS buy out there was an imposed borrowing cap which limited our flexibility to increase borrowing, should we need it. A recent announcement by the Chancellor of the Exchequer in his budget statement, confirmed the removal of the borrowing cap for Local Housing Authorities so this will no longer be a restriction. Additional borrowing however must be affordable under the Prudential Code. Meeting the WHQS standard by 2020 is a statutory requirement.
- 4.1.8 A rent increase to meet the business plan proposals is 3% which is equivalent to 2.4% plus 51p.
- 4.1.9 However, members must be made aware of the uncertainty on future rents which could place additional financial risk on our business plan from 2019/20 onwards. Members were advised of this risk on the 2018/19 rent increase report where one of the options was to consider a 4.5% increase to future proof likely reductions coming ahead.
- 4.1.10 An increase of 2.7% would result in a £2.27 weekly increase to £87.84 on a 52 week basis. This is an additional rental stream of £1.3m on the gross rent and would be the minimum increase in compliance with the rent policy.
- 4.1.11 An increase of 3% would result in a £2.55 weekly increase to £88.12 on a 52 week basis. This is an additional rental stream of £1.4m on the gross rent and would comply with the rent policy and the assumptions made within our business plan.
- 4.1.12 The maximum rent increase we can apply in accordance with the 2019 rent policy is 4.74% which would result in a £4.03 weekly increase to £89.60 on a 52 week basis. This is equivalent to the maximum increase of 2.4% plus £2 and would create an additional rental stream of £2.3m on the gross rent.
- 4.1.13 The Stock Condition Survey carried out in 2008 reported that high levels of investment are required to maintain the properties and meet the Welsh Housing Quality Standard. Experience has shown that significant variances arise once the properties are surveyed and contract packages are specified and indications of cost escalation have emerged based on trends from tender prices and valuations. A rent increase less favourable to the business plan

will mean additional borrowing, and, although the cap is in the process of being removed, the additional borrowing has to be affordable. Additional borrowing means an increase in debt charges which takes resources away from the HRA to manage and maintain our housing stock and support our tenants. Failure to implement these increased charges would increase the shortfall in resources identified in the Housing Business Plan required to meet the WHQS by 2020 and maintain it thereafter.

4.2 Garage Charges

4.2.1 The garage rationalisation and refurbishment programme, linked to the WHQS programme has led to a reduction in our garage stock and will result in improvements to our remaining stock. This work, which is ongoing, is currently having a significant impact on void levels as the blocks of garages must be fully vacated prior to commencement of works on each site. On completions of works to each block, former garage tenants and former leaseholders of garage plots will be offered new tenancies of the newly built and refurbished garages, prior to new tenants being sought for the remainder from existing waiting lists or through marketing. In addition a number of garages have been demolished due to unsuitability and lack of demand. Therefore at this time, it is not proposed to increase the rent on Council owned garages this year.

4.2.2 Tenants in receipt of benefit

Garage rents are not eligible for housing benefit and the majority (75%) of garage tenants are not actually council house tenants.

4.2.3 Financial impact

The Business Plan has included a 2% increase on garage rental income. Not increasing the income will mean a loss of approximately £5k in the Business Plan in 2019/20. This will not have an immediate impact on the borrowing requirement in the short term.

5. WELL-BEING OF FUTURE GENERATIONS

5.1 Effective financial management is a key element in ensuring that the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015 are met.

6. EQUALITIES IMPLICATIONS

6.1 An EIA screening has been completed in accordance with the Council's Strategic Equality Plan and supplementary guidance. No potential for unlawful discrimination and/or low level or minor negative impact has been identified; therefore a full EIA has not been carried out.

7. FINANCIAL IMPLICATIONS

7.1 This report deals with the financial implications of the proposed rent increases which affects the HRA.

7.2 The impact of the Welfare Reform Act is not taken into consideration

8. PERSONNEL IMPLICATIONS

8.1 The proposals contained in this report will not alter the current arrangements for the collection of housing revenue account monies.

9. CONSULTATIONS

- 9.1 All consultation responses have been reflected in this report. The report will be presented to Cabinet on the 30th January 2019.

10. RECOMMENDATIONS

- 10.1 Members are asked to consider and give a view on the following recommendations which will be presented to Cabinet on the 30th January 2019;
- (a) Members recommend to Cabinet the level of increase per property from April 2019 based on the options as explained in this report, which is:-
 - (i) 2.7% - The minimum increase to set our rents at the absolute bottom of the rent envelope
 - (ii) 3% - The increase to comply with the Housing Business Plan
 - (iii) 4.74% - The maximum increase before the rent policy is contravened and
 - (b) This report is submitted to Cabinet for consideration.

11. REASONS FOR THE RECOMMENDATIONS

- 11.1 Inflationary increases on providing all aspects of the housing service are experienced annually, however as the HRA cannot legitimately set a deficit budget, the loss of additional income will result in reduced resources being available to effectively manage and maintain the stock.
- 11.2 Housing benefit will cover the increased costs for the rent charge in this report for 71% of our tenants up to the Housing Benefit limitation rate (yet to be confirmed).
- 11.3 If charges are not increased annually it has a detrimental effect on subsequent years as higher increases are then needed to recover the shortfalls from previous years.
- 11.4 The Council's Business Plan relies on inflationary increases to remain viable.

12. STATUTORY POWER

- 12.1 Local Government Act 1972. This is a Cabinet function.

Author: Lesley Allen, Group Accountant (Housing)
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Consultees: Cllr L Phipps, Cabinet Member for Homes & Places
Cllr James Pritchard, Chair Policy & Resources Scrutiny Committee
Cllr Gez Kirby, Vice Chair Policy & Resources Scrutiny Committee
Dave Street, Director of Social Services & Housing
Nicole Scammell, Head of Corporate Finance & Section 151 Officer
Rob Tranter, Head of Legal Services/Monitoring Officer
Shaun Couzens, Chief Housing Officer
Fiona Wilkins, Housing Services Manager
Sandra Isaacs, Rents Manager
Amanda Main, Acting Benefits Manager
Anwen Rees, Senior Policy Officer (Equalities and Welsh Language)

Background Papers:
Available on request:-
Housing Revenue Account Charges – 2019/20
Welsh Government Rent Policy Guidelines



POLICY AND RESOURCES SCRUTINY COMMITTEE – 15TH JANUARY 2019

SUBJECT: WHQS PROGRESS REPORT – FINAL STAGES

REPORT BY: CORPORATE DIRECTOR FOR SOCIAL SERVICES & HOUSING

-
- 1.1 The attached report, which was considered by the Caerphilly Homes Task Group on 6th December 2018 ahead of its presentation to the Policy and Resources Scrutiny Committee and thereafter Cabinet, sought the views of Members on the performance of the Welsh Housing Quality Standard (WHQS) Team to date and also set out the anticipated projected performance up to December 2020.
 - 1.2 Details of the capital expenditure for 2018/19 for WHQS works were also included in the report, together with an overview of achievements that have been made as part of the wider commitments and benefits delivered by the WHQS programme.
 - 1.3 Members raised concerns regarding the timing of the customer satisfaction surveys which may have resulted in confusion between tenant responses on internal versus external works. Members discussed the management of tenant expectations and the prioritisation of where works would be carried out which may have impacted on satisfaction levels. Officers highlighted to Members that works were prioritised based on the condition of properties and therefore consistency would not have been possible due to the variable condition of individual properties across the County Borough.
 - 1.4 A Member queried the longevity of the community benefits highlighted in the report once the programme had been completed. Officers responded that although contracts were up to 2020 only the programme had provided opportunities for members of the community to develop skills that increased their employability beyond the end of the programme.
 - 1.5 Members discussed the standard of external works carried out including circumstances when this work requires replacement or repair and whether the Council takes on the financial responsibility for these works. Officers confirmed that if works are deemed substandard and further replacement or repair is required then the contractors would be responsible for the financial impact.
 - 1.6 Following consideration of the report and in noting the details of the WHQS Progress Report – Final Stages report, the Caerphilly Homes Task Group unanimously recommended to the Policy and Resources Scrutiny Committee that its contents be noted.
 - 1.7 The Scrutiny Committee are asked to consider the report and the comments of the Caerphilly Homes Task Group and make a recommendation to Cabinet.

Author: K. Houghton, Committee Services Officer, Ext. 4267

Appendices:

Appendix Report to the Caerphilly Homes Task Group on 6th December 2018 – Agenda Item 5



CAERPHILLY HOMES TASK GROUP – 6TH DECEMBER 2018

SUBJECT: WHQS PROGRESS REPORT – FINAL STAGES

REPORT BY: CORPORATE SOCIAL SERVICES & HOUSING

1. PURPOSE OF REPORT

- 1.1 This report provides members with an overview of the performance of the Welsh Housing Quality Standard (WHQS) Team to date and also sets out the anticipated projected performance up to December, 2020, prior to its consideration by the Policy and Resources Scrutiny Committee and thereafter Cabinet.
- 1.2 Details of the capital expenditure for 2018/19 for WHQS works are also included, together with an overview of the many achievements that have been made as part of the wider commitments and benefits delivered by the WHQS programme.

2. SUMMARY

- 2.1 The details contained within this report provide information on current and projected performance of the internal and external works main WHQS programme and demonstrate that the achievement of full compliance is achievable prior to the deadline of December 2020.
- 2.2 Good progress has been made with surveys which are now well in advance of the planned works and provides us with more detail on the scope of anticipated works which assists with contract forecasting and budget monitoring.
- 2.3 The energy efficiency schemes have been delivered throughout the borough since the commencement of the programme, with the latest scheme at Lansbury Park seeing the completion of all council owned properties and approximately 50% of the privately owned properties. A further bid for additional funding has been submitted to Welsh Government (WG) for the remainder of the private properties and a response is awaited. Funding for other areas will also continue to be pursued.
- 2.4 Feedback from our customers has been incorporated within the report which generally demonstrates high levels of satisfaction. It is accepted that levels of satisfaction for external works continues to be less than those received for internal works. As a result we are currently reviewing the existing customer satisfaction monitoring processes.
- 2.5 Consultation to identify environmental projects continues throughout the borough with many projects having now been delivered. A number of large-scale projects have also been identified and officers are working with In-House service colleagues to ensure these are delivered within our programme deadlines. Members have recently received a separate report on the progress of the Environmental Programme.
- 2.6 The current and projected financial position is set out within the report and at this stage of the programme, there has not been any requirement for borrowing to directly support it's delivery

from a financial perspective, although based on current projections, borrowing may be required for the third quarter of the year. It is also confirmed that the housing business plan remains financially viable throughout the programme and to deliver the post 2020 strategy.

- 2.7 Community benefits have been achieved with the provision of training opportunities, 44 work placements, 114 permanent jobs and 58 apprenticeships that have been created with the in-house service, external contractors and our supply partner.

3. LINKS TO STRATEGY

- 3.1 The underlying principles of the WHQS programme, which includes the provision of good quality affordable housing, energy efficient homes and carbon reduction, sustainable communities, health and wellbeing, targeted recruitment and training, clearly links to 5 of the 7 well-being goals in ***The Well Being of Future Generations (Wales) Act 2015***.
- 3.2 ***Improving Lives and Communities: Homes in Wales (Welsh Government, 2010)***, which sets out the national context for improving homes and communities, including the energy efficiency of existing homes;
- 3.3 ***The Caerphilly We Want (CCBC, 2018-2023) - Well-Being Plan Objective 4: Positive Places - Enabling our communities to be resilient and sustainable.***
- 3.4 ***Corporate Plan (CCBC, 2018-2023): Well-being Objective 3: "Address the availability, condition and sustainability of homes throughout the county borough and provide advice, assistance or support to help improve people's well-being."***
- 3.5 ***The Welsh Housing Quality Standard: Revised Guidance for Social Landlords on Interpretation and Achievement of the Welsh Housing Quality Standard (Welsh Government, 2008).***
- 3.6 ***Caerphilly Homes Service Plan (2018-2023): Priority 1A: All Council housing is improved to meet the Welsh Housing Quality Standard by 2020.***

4. THE REPORT

Progress of internal Surveying

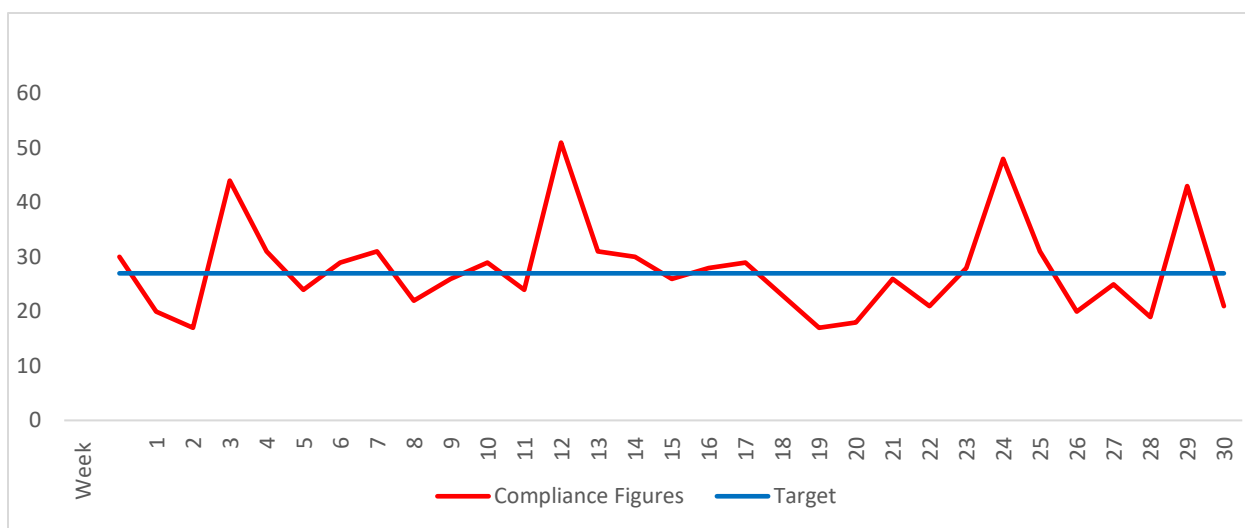
- 4.1 To date 95% of internal surveys have been undertaken to deliver the overall programme. It is anticipated, therefore, that surveys for internal works will be fully complete by the end of December 2018. This will assist with forecasting future scope of works and budget monitoring for the final year.

Progress of the internal works programme 2018/19 – Completion of works

- 4.2 The number of properties where internal WHQS compliance has been achieved per week is shown in Chart 1 below. The average compliance rate is now 28 properties per week against a target of 27. Based on the current rate it is likely that 85% of the overall internal works programme will be completed by the end of the financial year, which is in line with the target set.
- 4.3 Appendix 1 provides the weekly compliance achievements and targets that are shown against each contract area.
- 4.4 The existing planned programme for 2019/20 indicates that 968 properties will be remaining however based on current performance 613 properties are likely to be carried over to 2019/20 which leaves a revised figure of 1,581 properties to be completed in the final year (15% of the total stock).

4.5 The above performance has been achieved despite the loss of one of the main contractors in 2017 and the recent termination by another contractor. Contingency arrangements to cover these losses are in place, i.e. the DPS (Dynamic Purchasing System), in-house mop up teams with other options also being considered.

Chart 1: The WHQS internal works weekly compliance rate during 2018/19



Progress of the internal works programme 2018/19

4.6 At the time of writing this report 862 properties in the 2018/19 internal works programme were compliant in relation to their internal elements. This results in a cumulative total of 8,640 properties that are currently compliant in relation to internal works (80% of the total stock). 'Compliance' indicates that a property meets the WHQS internally because:

- We have carried out works to renew one or more elements to achieve compliance.
- One or more elements within a property were already compliant.
- One or more elements within the property have been classed as an acceptable fail.
- Or any combination of the above reasons.

Progress of External Surveying

4.7 To date 79% of external surveys have been undertaken to deliver the overall programme. It is anticipated, therefore, that surveys for external works will be fully complete by the end of January 2019. This will assist with forecasting for future scope of works and budget monitoring for the final year.

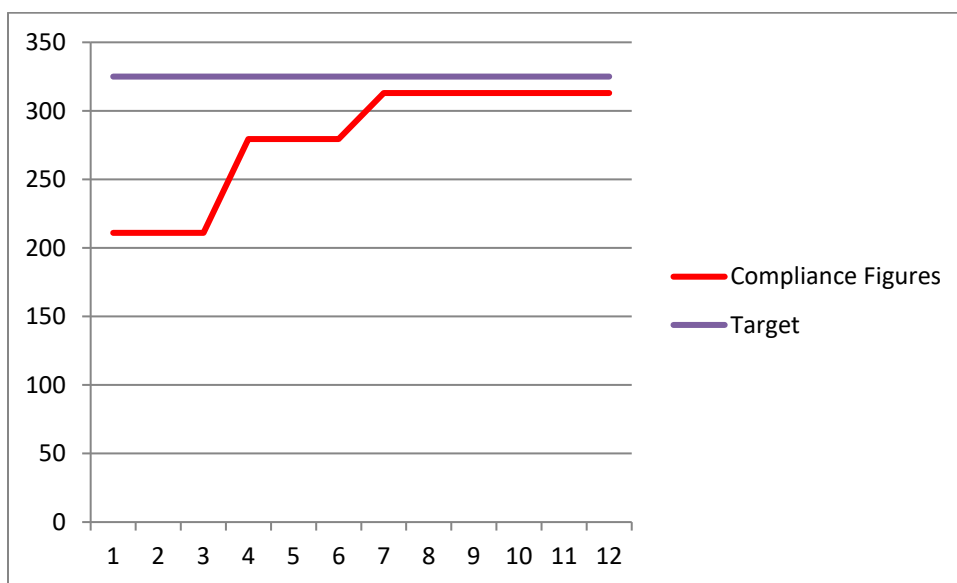
Progress of the External Works Programme 2018/19 – Completion of Works

4.8 The number of properties where external WHQS compliance has been achieved per month is shown in Chart 2 below. The average compliance rate is now 59 properties per week against a target of 78 (including leaseholders). Based on the current rate it is likely that 73% of the overall external works programme will be completed by the end of the financial year, which is not currently in-line with the target set.

4.9 The existing planned programme for 2019/20 indicates that 1,532 properties will be remaining however based on current performance 1,433 properties are likely to be carried over from 2018/19 to 2019/20 which leaves a revised figure of 2,965 properties to be completed in the final year (27% of the total stock).

- 4.10 In addition to the above, we are also completing external works to 412 leasehold properties; however this has detrimentally affected progress due to the legislative process that needs to be followed by way of consultation.
- 4.11 Performance for this area of the programme has improved considerably due to a combination of mobile working, and improved procurement processes through the DPS.
- 4.12 Appendix 2 provides the weekly compliance achievements and targets which are shown against each contract area.

Chart 2: The WHQS external works monthly compliance rate during 2018/19



Progress of the External Works Programme 2018/19

- 4.13 To date 1,700 properties in the 2018/19 external works programme were compliant in relation to their external elements. This results in a cumulative total of 6,651 properties which are currently compliant in relation to external works (62% of the total stock). 'Compliance' indicates that a property meets the WHQS externally because:
- We have carried out works to renew one or more elements to achieve compliance.
 - One or more elements for a property were already compliant.
 - One or more elements for the property have been classed as an acceptable fail.
 - Or any combination of the above reasons.
- 4.14 The WHQS external works programme for 2018/19 within the Keystone system includes 4,550 properties (including leaseholders), 94% of which are being completed by outside contractors, and 6% by our own workforce. Following previous agreement by Cabinet, the in-house workforce are undertaking all works to sheltered housing schemes.
- 4.15 Significant progress has been made in 2018/19 in terms of the management and monitoring of external works contracts. All new contracts are now being entered into and managed via the Keystone asset management system.

Tenant Satisfaction with the Internal Works Programme

- 4.16 Tenant satisfaction levels and compliance with service standards for internal works are measured via surveys which are sent to tenants after each property has been completed. The Housing Systems and Performance section administer this service. The survey process was suspended for a period of time during this year at the request of Wales Audit Office (WAO), as they were undertaking their own survey as part of their review of the WHQS programme.

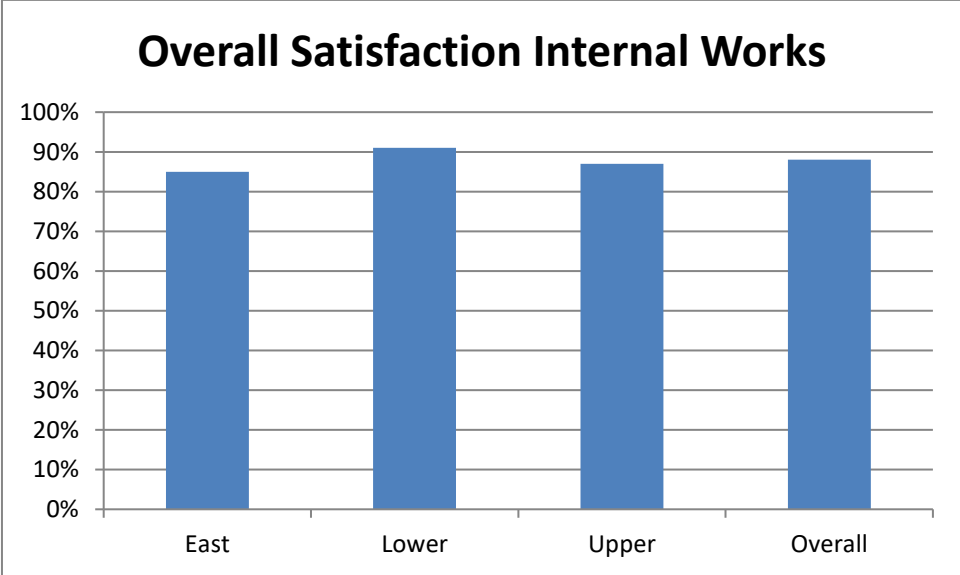
4.17 Table 1 below provides a summary and breakdown of the returned surveys for each of the WHQS Team operational areas within the County Borough for internal works. It shows that the overall satisfaction level for internal works is 88% based on a return rate of 40%. It also shows that we are achieving 87% of the standards that we measure within the Charter For Trust document. Charts 3 and 4, below, display these two measures for each of the WHQS Team operational areas.

4.18 The process of undertaking tenant satisfaction surveys is currently being reviewed in line with WG guidelines with the aim of improving the timeliness of the surveys and improving the level of feedback. To assist with this telephone surveys may be introduced.

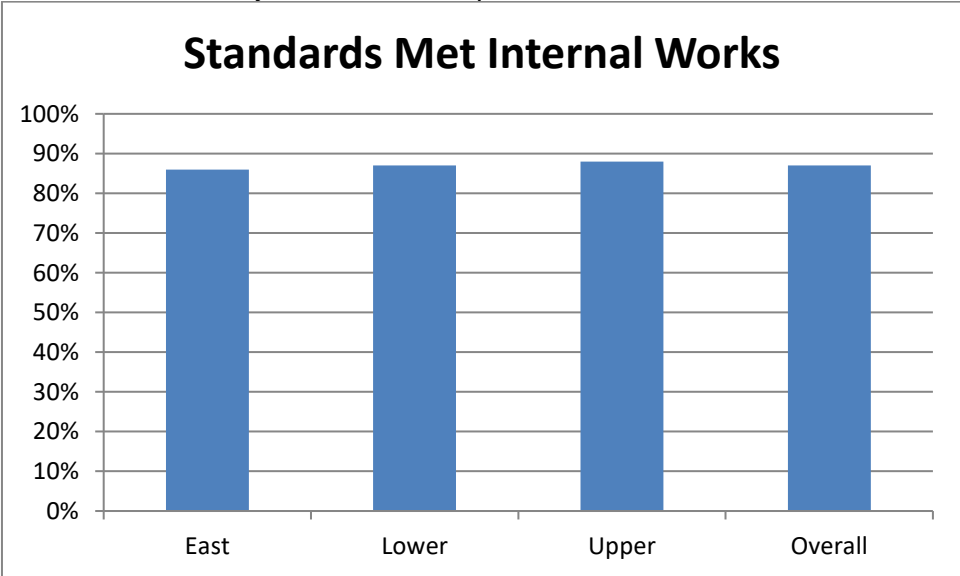
4.19 Table 1: Satisfaction levels and standards met by WHQS Team operational areas.

Area	Overall Satisfaction	Standards Met
East	85%	86%
Lower	91%	87%
Upper	87%	88%
Overall	88%	87%

4.20 Chart 3: Overall satisfaction levels by WHQS Team operational areas.



4.21 Chart 4: Standards met by WHQS Team operational areas.

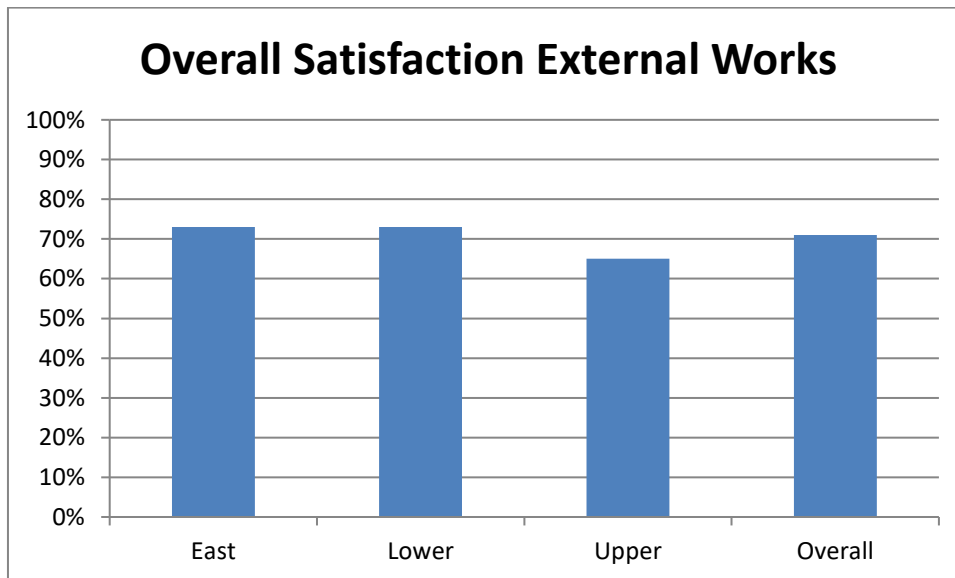


Tenant Satisfaction with the External Works Programme

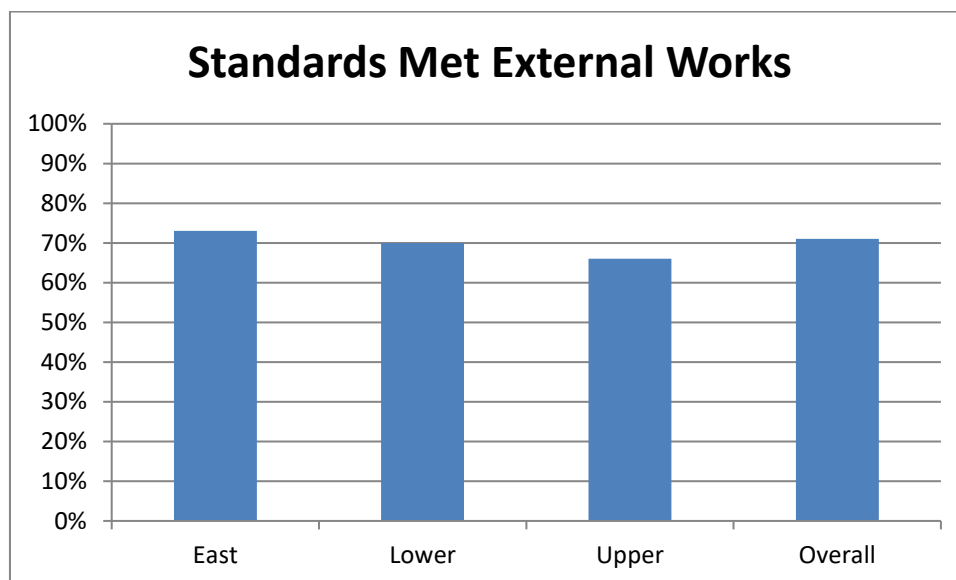
- 4.22 Tenant satisfaction levels and compliance with service standards for external works are measured via surveys which are sent to tenants after each contract has been completed. The Housing Systems and Performance section administer this service. The survey process was suspended for a period of time at the request of WAO, as they were undertaking their own survey as part of their review of the WHQS programme.
- 4.23 Table 2 below provides a summary and breakdown of the returned surveys for each of the WHQS Team operational areas within the County Borough for external works contracts to date. It shows that the overall satisfaction level for external works is 71% based on a return rate of 28%. It also shows that we are achieving 71% of the standards that we measure within the Charter For Trust document. Charts 5 and 6 below display these two measures for each of the WHQS Team operational areas.
- 4.24 The process of undertaking tenant satisfaction surveys is currently being reviewed with the aim of improving the timeliness of the surveys and improving the level of feedback. To assist with this telephone surveys may be introduced
- 4.25 Table 2: Satisfaction levels and standards met by WHQS Team operational areas.

Area	Overall Satisfaction	Standards Met
East	73%	73%
Lower	73%	70%
Upper	65%	66%
Overall	71%	71%

- 4.26 Chart 5: Overall satisfaction levels by WHQS Team operational areas.



4.27 Chart 6: Standards met by WHQS Team operational areas.



Environmental Programme

- 4.28 Part of the commitment to deliver the WHQS across all 10,749 homes (31st October 2018 count) also includes a requirement to comply with Part 6 which aims to ensure that 'all dwellings should be located in an environment to which residents can relate and in which they can be proud to live'.
- 4.29 An indicative budget of £10.6m has been set aside in the business plan and agreed with WG specifically for this purpose.
- 4.30 Three Environmental Officers were recruited to work with the Area Housing teams and local members in order to initially identify environmental maintenance / repair issues. The issues were identified and collated into a single spreadsheet with each project being detailed using a proforma.
- 4.31 Over 300 minor projects were initially identified across the County Borough as part of the first phase of the programme. The majority were progressed; some were repackaged into larger schemes.
- 4.32 The second phase of the programme commenced in 2017 and has involved the environmental officers undertaking an extensive engagement programme throughout the County Borough which is intended to:-
- i) Engage local communities in discussions regarding the quality and safety of their local environment.
 - ii) Identify solutions to some of the challenges and constraints within communities that could be overcome via the WHQS environmental programme, and
 - iii) To work with partners to help develop more cohesive and resilient communities through joint working and the pooling of resources.
- 4.33 A copy of the programme and projects identified to date is attached as Appendix 3. All of the projects identified and approved to date are coterminous with the aims of the Future Generations and Well being Act and aim to contribute towards the creation of cohesive communities that are attractive, accessible and safe. The programme aims to help futureproof the borough's communities through providing relatively minor improvements such as benches and planting but also via the replacement of park equipment and the installation of new amenities such as skate parks and green gyms thereby promoting greater well being and access to the local environment.

Energy Efficiency

4.34 A range of energy efficiency improvements have been carried out as part of the WHQS programme including upgraded loft insulation, energy efficient heating and the installation of double glazed windows. The majority of non-traditional houses have also benefitted from external wall insulation, with some of these being completed prior to the main WHQS programme. This work contributes to health and wellbeing improvements and towards addressing fuel poverty. External Wall Insulation (EWI) has been installed in approximately 2,532 properties (see breakdown below).

- Gelligaer (285)
- Ty Coch (17)
- Bryn Carno (38)
- Rowan Place (72)
- Brynglas Pontlottyn (16)
- Brynhyrydd Pontlottyn (56)
- Phillipstown (112)
- Birchgrove flats (20)
- Fochriw / Rhymney / Porset Park (CESP) (520)
- Fochriw (Arbed) (57)
- Markham (76)
- Maesmabon (142)
- Pantside (75)
- Graig y Rhacca (300)
- Pontlottyn Flats (40)
- Lansbury Park (548)
- Morrisville & Attlee Road Blackwood (34)
- Gilfach flats (20)
- Hengoed (61)
- Bedwas (43)

A number of BISF houses and Cornish properties have also had EWI installed to their properties which are not included in the above.

4.35 A contract has recently been awarded and work commenced to undertake energy performance assessments for the housing stock to demonstrate compliance with the required energy rating of 65. This work will also help to establish the energy efficiency of our homes and the contribution being made towards addressing fuel poverty and will also be used to inform future rent levels, as energy ratings are required as part of the WG's rent setting policy.

Supply Partner

4.36 An independent review of the Supply Partner arrangement has been conducted and the findings of the report confirm that the partnership is providing value for money. This outcome was achieved by comparing the cost of our key components against those in the marketplace.

4.37 The report also made a number of recommendations on making improvements in order to maximise benefits from the arrangement, which includes just in time deliveries, review of consignment of stock, restructuring of the support team, improved forward planning and product reviews. These recommendations are in the process of being implemented.

4.38 The Supply Partner arrangement is delivering a number of benefits for the local economy including the creation of jobs and training opportunities (see item 4.39 below).

Community Benefits

4.39 Council made a conscious decision to ensure that the money invested in bringing all tenants' homes up to the WHQS would be used to support development of small and medium

enterprises and create training and employment opportunities to help people back into work. Since the start of the WHQS programme the Council has invested over £200m and is projecting to invest over £220m by the end of the programme. Figures received to date suggest that cumulatively, 71 permanent full time permanent jobs have been created by external contractors in addition to 43 permanent full time opportunities that have been created by the Council. A total of 58 apprenticeship opportunities have also been created by external contractors and the Council since the start of the programme.

- 4.40 The Supply Partner has completed and submitted the Value Wales Toolkit to Welsh Government which has calculated that for every £1 invested in the contract during 2017/18, it has resulted in £1.80 being invested in the local economy. Keepmoat / Engie have also completed the Toolkit for 2017/18 which determines that for every £1 spent on their contracts, £1.88 has been invested in the local economy. The Council's key contractors are each required to complete and submit the Value Wales toolkit to Welsh Government at the end of each financial year. This multiplier effect is as a result of the Supply Partner and Internal Works contractor employing people living in Wales who then spend their wages locally, supporting other businesses such as shops and restaurants.
- 4.41 Further benefits have resulted for the borough's communities as a result of donations made by the Supply Partner and the commitment made by Keepmoat / Engie to run the Careers Wales Business Class programme with Blackwood Comprehensive School and its feeder primary schools.

The Capital Expenditure Programme for WHQS Works (2018-19)

- 4.42 The WHQS budget for 2018/19 is set at £55.8m. The total expenditure on the WHQS capital programme for the first 6 months of 2018/19 is £24.9m which is some 45% of the total budget, and is the highest spend level compared to previous years.
- 4.43 The spend for the first six months on internal works is £7.2m. 68% of the spend is on current contracts, 18% relates to previous years carried forward contracts, 11% on works to sheltered schemes, and 3% on works outside of the WHQS programme which could not be delayed to fit into future programmes, i.e. emergency heating installations and voids.
- 4.44 The spend for the first six months on external works is £12.6m and is predominantly carried out by external contractors. 21% of the spend is on current contracts, 73% of the spend relates to previous years carried forward contracts, and 6% of the spend is on sheltered works.
- 4.45 The remaining spend is on Fees (£1.1m), Large Scale Voids (£620k), Adaptations (£310k), Garages (£622k), Non Traditional properties (£205k). There is also £2.2m spend on energy conservation works at Lansbury Park where funding has been earmarked from the Arbed and Vibrant & Viable Places (VVP) regeneration grants.
- 4.46 Funding for the 2018/19 programme of £55.8m will be met from the Major Repairs Allowance (MRA) given by WG of £7.3m, and revenue contributions from the HRA of £48.4m. The MRA has been fully drawn down from Welsh Government this year. No borrowing has been required to fund the WHQS spend to date. Borrowing is expected to take place this year which is estimated at £20m if the full budget is expended.
- 4.47 Total spend to date for the WHQS Programme is £200m which has resulted in 8,640 (80%) properties achieving compliance for internal works, 6,651 (62%) properties achieving compliance for external works, and 5,635 (52%) properties achieving full compliance.

Final Stages

- 4.48 As we are now entering the final 2 years of the programme, significant work has been undertaken to validate the compliance data and accuracy of information recorded within the Keystone database. The validation process is also currently being checked by Internal Audit in order to provide independent verification. This will provide us with greater assurance of the

full achievement of WHQS by the end of December 2020.

- 4.49 In order to support this, an exercise has been undertaken to provide us with projections based on current levels of performance up to the end of the programme. The anticipated outturns are shown within our Strategic Scorecard which is provided as Appendix 4. This provides us with our current performance against projected targets which indicates that full compliance for internal works will be achieved by 15 May 2020 and external compliance will be achieved by 10 April 2020. Therefore full WHQS compliance is currently projected to be achieved by 15 May 2020; however, this is subject to change and will be closely monitored as the programme progresses with the aim of achieving full compliance by the end of March 2020. Further details on how these projections have been calculated are included in Appendices 5 and 6.
- 4.50 Performance information including the Strategic Scorecard is submitted and scrutinised by the Caerphilly Homes Project Board and the Repairs and Improvements Working Group on a monthly basis and included in progress reports which are submitted to Caerphilly Homes Task Group and the Policy and Resources Scrutiny Committee as and when required.
- 4.51 Regular progress monitoring meetings are also held with officials from WG where performance reports are discussed and they are satisfied with the projections made. WG also made a number of recommendations for improving our performance data, which have been implemented and incorporated into the information contained within this report.
- 4.52 Members will be aware of the ongoing WHQS review by the WAO, however their final report is still awaited.
- 4.53 Resources are constantly being reviewed in order to maintain the momentum currently being achieved and with the aim of bringing full completion forward to the end of March 2020. Additional in-house resources have been secured for the sheltered housing programme. Internal work packages are being tendered through the DPS and additional assistance has been achieved through improved integration including services provided through the Housing Repair Operations team.
- 4.54 Some minor structure changes have been implemented which have included the establishment of a Validation Team, the provision of a Technical/Administration team and the centralising of resources to improve efficiency and reduce duplication.
- 4.55 Officers acknowledge that whilst the delivery of WHQS programme by the deadline will be an excellent achievement there is still the requirement to ensure the standard is maintained thereafter. In this regard members have already approved the post 2020 strategy and preparations to deliver this strategy will commence during 2019/20. This includes external surveys to implement the delivery of the external planned maintenance programme for 2020/21.
- 4.56 Consideration has also been given to providing continuity of work to the in-house workforce who will be responsible for undertaking the remodelling of the sheltered housing schemes during 2020-2025. However, it is evident that a review of resources will be required.

Progress Achieved Against the Promises Made

- 4.57 Prior to the ballot of tenants on the housing stock transfer proposal in 2012, every household was issued with an Offer Document and an Addendum Document. The Addendum Document set out what improvements and repairs tenants could expect to receive if they voted to remain with the Council and the following table replicates this information and also includes what work has actually been delivered to date.

Internal Elements	Offer Document	Compliance to date	Acceptable Fails	Total
Kitchens	9,918	5,739	1,102	6,841
Bathrooms	7,150	6,563	781	7,344
Boilers	4,033	1,668	0	1,668
Heating	2,050	5,073	370	5,443
Rewires	3,933	4,780	56	4,836

External Elements	Offer Document (£m)	Compliance to date
Fences, gates & paths	9.9	7.6
Roofing/associated works	6.5	9.1
Wall finishes	1.5	3.1
Non-traditional homes	26.0	15.6
Window Replacements	2.9 (1,163 No.)	2.6 (987 No.)
External Doors	4.5 (4,090 No)	3.7 (5,326 No)

4.58 The above information hopefully provides reassurance that we are delivering on the promises made and likely to exceed these commitments in many areas. In addition to this, it is also anticipated and evidenced within this report that full compliance of the WHQS programme will be achieved prior to the WG deadline of December 2020.

5. WELL-BEING OF FUTURE GENERATIONS

5.1 The report outlines the contribution made towards the Well-being Goals as set out in the Links to Strategy section above. It is consistent with the five ways of working as defined within the sustainable development principle in the Act:-

5.2 **Long-term** - Since the Housing Ballot (2012) we continue to make substantial investments and improvements to both the internal and external environments of our social housing stock (Public Sector), including specialised adaptations in accordance with the needs of some of our tenants. Adaptations are also supported and implemented in the Private Sector (often referred to as Disability Facilities Grants).

5.3 These fundamental changes and improvements are being achieved through; the implementation of the Welsh Housing Quality Standards; housing adaptations in accordance with tenants and homeowners needs; enhancing the quality of product installations and repairs; improving environments around homes; all aiding the well-being of our communities, its infrastructure and citizens alike, providing homes and communities for now and the future.

- 5.4 **Prevention** - The works undertaken through Housing Services helps to improve lives and communities, by securing local employment either in-house or through supplier, contractor and partnership arrangements.
- 5.5 Works undertaken by our services make significant visual improvements to housing stocks and their surroundings environments (improved the look and feel) helping to prevent anti-social behaviour and enviro-crime.
- 5.6 By raising standards and conditions with improved quality materials and appropriate service response, should aide and ease future maintenance schedules and requirements, better controlling costs, levels of deterioration/depreciation, improve safety and accessibility, while also reducing disruption to our tenants in the future, and aiding quality of life in both Private and Public Sectors, through intervention and support actions that are fit-for-purpose.
- 5.7 **Involvement** - Through established governance and performance frameworks, tenants and local residents are consulted on proposed property and environment improvements works along with various initiatives, and they are periodically informed of progress as part of for example, the WHQS delivery programme.
- 5.8 Numerous working groups are established and well embedded with periodic reporting and feedback opportunities exploited. Welsh Government, Environment Standards, Regulatory Controls and Checks, Tenant Engagement are all part of our daily business.
- 5.9 **Collaboration** - The programme delivery focused on internal collaboration, wider partnership arrangements with suppliers and contractors, joint working with the community and various other interested parties/groups. The delivery of community benefits and tenant engagement by all involved with the WHQS programme is a key focus for the success and delivery of this objective.
- 5.10 **Integration** - The programme looks to integrate property and environmental improvements that will benefit and transform lives and communities throughout the county borough. It further brings together a variety of stakeholders to deliver long term sustainable benefits for lives and communities including Social Services & Health.
- 5.11 Housing Services and our outlined priorities, contributes to a minimum of 6 out of the 7 well-being goals within the *Well-being of Future Generations Act (Wales) 2015*, including:-
- A prosperous Wales
 - A resilient Wales
 - A healthier Wales
 - A more equal Wales
 - A Wales of cohesive communities
 - A globally responsible Wales

6. EQUALITIES IMPLICATIONS

- 6.1 An Equalities Impact Assessment is not needed because the issues covered are for information purposes only, therefore the Council's full EIA process does not need to be applied.
- 6.2 However, it should be noted that, through the 'adaptations work and improvement programmes' we are assisting citizens with well-being opportunities and helping them stay within their home communities (inclusion). All WHQS improvements and wider environment programmes are delivering equitable standards of facilities where practical and reasonably appropriate and there are no equalities implications to this report that have not been considered or would adversely affect any individual or group

who fall under one of the protected characteristics or wider issues as shown in the Council's Strategic Equality Plan.

7. FINANCIAL IMPLICATIONS

- 7.1 Finance arrangements are explained in 4.40 - 4.45 of this report and are incorporated into the 30 year business plan required by WG as part of the annual MRA application.
- 7.2 At the time of submitting the current plan there was a borrowing cap placed on all local housing authorities in Wales & England and any borrowing was strictly limited to that cap level. Caerphilly Homes' borrowing requirement (which includes historical, buy out and WHQS debt) was under its cap with a comfortable contingency. Recently UK Government have announced the removal of this borrowing cap which has been welcomed by Welsh Government and steps are in place to accommodate the removal. This is to assist local authorities to progress with new build as part of the UK Government's initiative to reduce homelessness. This will allow local housing authorities to borrow to their requirement as opposed to borrowing to a capped limit although it will still need to remain affordable.
- 7.3 The current plan requires £43.6m of borrowing to ensure the programme is completed which is 17% of the total programme costs. Whilst this remains affordable, a separate report will be submitted to Cabinet as expenditure is likely to exceed the current approved level of £220m.

8. PERSONNEL IMPLICATIONS

- 8.1 Personnel resources are continually reviewed and where necessary additional resources are recruited to ensure the momentum of this major investment programme remains on track. Agency workers are also utilised to support the programme due to the temporary nature of some positions and also due to the lack of suitable candidates in the market place.

9. CONSULTATIONS

- 9.1 All consultee responses have been incorporated within the report.

10. RECOMMENDATIONS

- 10.1 That the report is noted, prior to its consideration by the Policy and Resources Scrutiny Committee and thereafter Cabinet.

11. REASONS FOR THE RECOMMENDATIONS

- 11.1 Not applicable.

12. STATUTORY POWER

- 12.1 Not applicable.

Author: Shaun Couzens – Chief Housing Officer
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Consultees:	Cllr Lisa Phipps	-Cabinet Member for Homes & Places
	Dave Street	- Corporate Director of Social Services and Housing
	Shaun Couzens	- Chief Housing Officer.
	Nicole Scammell	- Head of Corporate Finance & S151 Officer
	Paul Smythe	- Housing Technical Manager
	Jane Roberts-Waite	- Strategic Co-ordination Manager - WHQS Programme
	Fiona Wilkins	- Housing Services Manager
	Deborah Gronow	- Service Auditor
	Lesley Allen	- Principal Accountant (Housing)
	Kathleen Webb	- Relationship Manager
	Rhys Lewis	- Systems and Performance Manager.
	Colin Roden	- WHQS Project Manager
	Alan Edmunds	- WHQS Project Manager
	Steve Greedy	- WHQS Project Manager
	Mark Jennings	- Housing Strategy Officer
	Ian Raymond	- Performance Management Officer

Appendices

Appendix 1 - Weekly Internal Compliance Achievements and Targets for each contract area.

Appendix 2 - Weekly External Compliance Achievements and Targets for each contract area.

Appendix 3 – Environmental Programme projects identified to date (will be available at the meeting).

Appendix 4 - WHQS Strategic Scorecard

Appendix 5 – Projections for internal works.

Appendix 6 – Projections for external works.

To Week	31
	02/11/2018

Appendix 1

IN YEAR							
		Planned	Revised	Contract	Voids	No Access	Total
Area	Contractor	2018/19 Planned	2018/19 Revised	Cumulative Contract Compliance	Cumulative Voids	Cumulative No Access	
All areas	In House	810	992	366	25	0	391
All areas	Sheltered	256	262	95	2	0	97
All areas	DPS	0	98	0	14	0	14
EV	Keepmoat	311	508	241	15	0	256
URV	Vinci	195	141	99	5	0	104
LRV	Contract Serv	0	0	0	0	0	0
To be allocated		0	2	0	0	0	0
		1572	2003	801	61	0	862

Compliant	Target
Average Weekly Compliant data (inc voids & No Access)	Target Weekly Compliant 85%
12.61	13.43
3.13	3.55
0.45	1.33
8.26	6.88
3.35	1.91
0.00	0.00
0.00	0.03
27.81	27.12

CUMULATIVE TO DATE						
Area	Contractor	Stock No	Previously Compliant	2018/19 to Date	Compliant to date	Remaining
All Areas	In House	5044	3755	391	4146	898
All Areas	Sheltered	795	326	97	423	372
EV	Keepmoat	2274	1626	256	1882	392
URV	Vinci	1018	877	104	981	37
LRV	Contract Serv	873	873	0	873	0
Non Trad		97	97	0	97	0
Post 2020		175	175	0	175	0
D.P.S.		464	43	14	57	407
Queries		9	6	0	6	3
TOTAL STOCK		10749	7778	862	8640	2109
					80.38%	19.62%

Anticipated Compliance 2018/19	Programme 2019/20	Total
992	297	5044
262	207	795
508	140	2274
141	0	1018
0	0	873
0	0	97
0	0	175
98	323	464
2	1	9
2003	968	10749

STOCK LEVEL	
Opening Stock 1.4.18	10803
Less hostel formula adjustment	-2
Less RTB's	-24
Added to stock	3
To be demolished	-31
TOTAL STOCK	10749

Requires Action less than 10% of target
Caution Within tolerance
Target Achieved At or above target

IN YEAR					
Area	2018/19 Planned	2018/19 Revised	Compliance in year	Average Weekly Compliance	Target Weekly Compliant 80%
Eastern Valley	853	1227	466.8	15.56	21.07
Upper Rhymney	739	1100	488.45	16.28	18.89
Lower Rhymney	557	1037	434	14.47	17.81
Sheltered	256	365	187	6.23	6.27
Private Sector	32	521	121.42	4.05	8.94
Leaseholders	0	283	83.38	2.78	4.87
Non Trad	0	10	2.5	0.08	0.17
To be allocated	0	7	0	0.00	0.12
	2437	4550	1783.55	59.45	78

With Lease Holders

CUMULATIVE TO DATE				
Area	Stock No	Compliant up to 31.3.18	2018/19 to date	Compliant to date
Eastern Valley	3156	1766	466.8	2232.8
Upper Rhymney	3227	1532	488.45	2020.45
Lower Rhymney	2375	893	434	1327
Sheltered	795	220	187	407
Private Sector	917	277.45	121.42	398.87
Leaseholders	412	64.55	83.38	147.93
Non Trad	97	87	2.5	89.5
Post 2020	175	175	0	175
Query	7	0	0	0
TOTAL STOCK	11161	5015	1783.55	6798.55
		45%	16%	60.91%

Anticipated Compliance 2018/19	Programme 2019/20	Total
1227	163	3156
1100	595	3227
1037	445	2375
365	210	795
521	119	917
283	64	412
10	0	97
0	0	175
7	0	7
4550	1596	11161
41%	14%	

Without Lease Holders

CUMULATIVE TO DATE				
Area	Stock No	Compliant up to 31.3.18	2018/19 to date	Compliant to date
Eastern Valley	3156	1766	466.8	2232.8
Upper Rhymney	3227	1532	488.45	2020.45
Lower Rhymney	2375	893	434	1327.00
Sheltered	795	220	187	407
Private Sector	917	277.45	121.42	398.87
Non Trad	97	87	2.5	89.5
Post 2020	175	175	0	175
Query	7	0	0	0
TOTAL STOCK	10749	4950	1700.17	6650.62
		46.05%	16%	61.87%

Anticipated Compliance 2018/19	Programme 2019/20	Total
1227	163	3156
1100	595	3227
1037	445	2375
365	210	795
521	119	917
10	0	97
0	0	175
7	0	7
4267	1532	10749
40%	14%	

STOCK LEVEL	
Opening Stock 1.4.18	10803
Less hostel formula adjustment	-2
Less RTB's	-24
Less demolitions	-31
Added to stock	3
TOTAL STOCK	10749
Leaseholders	412
TOTAL STOCK INC LEASEHOLDERS	11161

Requires Action Less than 10% of target
 Caution Within Tolerance
 Target Achived At or above target

CONSULTATIONS ONGOING	CONSULTATION COMPLETIONS	CONSULTATIONS TO BE STARTED
23	36	23

COMPLETED PROJECTS	EXPENDITURE
106	£ 3,941,018.43

CONSULTATION SCHEDULE	YEAR	COMMUNITY	NO OF COUNCIL PROPERTIES	ENVIRONMENTAL OFFICER	SHELTERED HOUSING SCHEME	CONSULTATION STATUS COMPLETED / ONGOING / TO BE STARTED	POTENTIAL PROJECTS	PROJECTS	WORK ISSUED - COSTINGS REQUESTED, AWAITING COMMENCEMENT ETC	TO WHOM	NUMBER OF PROJECTS COMPLETED	ESTIMATED EXPENDITURE WITHIN COMMUNITY	ANTICIPATED COMPLETION DATE
COMPLETE	2018/2019	HEOL TRECATELL	57	BETH SMITH		COMPLETED	PAINTING, PLANTING AND PAVING at 1 - 16 and 17 - 30 HEOL TRECATELL	3	RELAY PATHWAY TO THE SIDE OF NO 57	NCS complete	1	£ 25,000.00	SOFT AND HARD LANDSCAPING 2018
2 (Q1)	2018/2019	PENLLWYN (Upper & Lower)	324	LYNNE JOHN		ONGOING	POTENTIAL SWING PARK & SKATE PARK / REVAMP OF SHOP AREA LIKE GELLIGAER PARKING ON PENYMEAD FORMALISATION OF PARKING AREA IN FDL AVE PARKING OPPTS SCHOOL FDL AVE INSTALL STEPS IN BANKING FDL AVE PARKING IN BRYNTEG AVE	7	BEECH CLOSE BENCH REPLACEMENT	PARKS (COMPLETED)	1	£ 1,880.00	
2 (Q1)	2019/2020	OAKDALE	73	LYNNE JOHN		TO BE STARTED	FARM CLOSE VILLAGE GREEN UPGRADE SKATE PARK	2					
COMPLETED	2019/2020	WATTSVILLE	49	LYNNE JOHN	WOODLAND VIEW - COMPLETED	COMPLETED	BENCHES AND RAISED BED PLANTERS NEW PLACENAME SIGNAGE	2					
COMPLETED	2019/2020	GELLIGROES	58	LYNNE JOHN	TY MYNYDDISLWYN - COMPLETED	COMPLETED	TY MYNYDDISLWYN PARKING	1	PILLAR REDUCTION AT TY MYNYDDISLWYN PARKING AT TY MYNYDDISLWYN	NCS (COMPLETED) EPG INVESTIGATING	1	£ 394.00	
2 (Q2)	2018/2019	SPRINGFIELD	239	LYNNE JOHN	YNYSWEN	ONGOING	BROOKFIELD RD/MEADOW CLOSE PARKING / MEADOW RD PATHWAY / NEW STREET SIGNS	1	BROOKFIELD RD/MEADOW RD PARKING MEADOW RD PATHWAY	NCS (COMPLETED) AWAITING APPROVAL	1		
2 (Q2)	2018/2019	RISCA	165	LYNNE JOHN	ST MARYS COURT BRITANNIA COURT	TO BE STARTED		1	REPLACEMENT BENCHES X 2 @ CROMWELL BUNGALOWS	PARKS (COMPLETED)	1	£ 1,880.00	
2 (Q4)	2018/2019	HENGOED	106	ANNA LEWIS		ONGOING							
COMPLETE	2017/2018	FOCHRIV	152	ANNA LEWIS		COMPLETED		13	1. FENCING ON BRIDGE BY COMMUNITY CENTRE 2. EXTRA PLAY FACILITIES IN RHODFA GANOL PARK – ROUNDABOUT, HOP SCOTCH, SNAKES AND LADDERS. 3. GREEN GYM 4. FENCING OF PLAY AREA AROUND TEENAGER POD AND KICK ABOUT ADDING A PICNIC BENCH 5. SHEEP ISSUE RESOLUTION – SPRINGS ON GATE AND REINSTATE LATCH AT GLAN Y NANT 6. FENCE AND GATE AT RAILWAY TERRACE 7. CONTAINER FOR YOUTH FOOTBALL 8. CLEAN UP – ESTATE AND COMMON 9. IMPROVEMENTS TO "DINGLE" AREA – TO BE CARRIED OUT BY COMMUNITIES FIRST, GAVO, GROUNDWORK – BENCH AND ASSAULT COURSE FOR TODDLERS 10. LIGHTING COLUMN X2 CAE GLAS NEWYDD 11. LINES ON CHILDRENS MUGA AREA, USED BY COMMUNITY AND SCHOOL 12. FENCING BETWEEN BRYN NANT & SCHOOL 13. PARKING RESOLUTIONS AT AEL Y BRYN	1. PARKS 2. PARKS- G/R 3. PARKS- G/R 4. PARKS 5. COUNTRYSIDE 6. HIGHWAYS 7. COMMUNITY BENEFITS 8. KWT 9. COMMUNITIES FIRST 10. HIGHWAYS 11. PARKS 12. PARKS 13. EPG/HIGHWAYS	5	£ 57,867.00	2018
COMPLETE	2017/2018	PHILLIPSTOWN	159	ANNA LEWIS		COMPLETED		15	1 SKATE PARK 2 IMPROVEMENTS AT PARK 3 PARKING – DERLWYN 4 BUS SHELTER 5 MEASURES TO STOP OFF ROAD BIKES NEAR PARK/ FOOTBALL FIELD & PATHWAYS BETWEEN HOUSES. 6 RUBBISH AMNESTY - ALREADY COMPLETE 7 LITTER PICK 8 STREET SIGNS & ENTRANCE SIGNAGE 9 BULB PLANTING & TREE PLANTING ON ENTRANCE 10 CLEAN BOTH OVERGROWTH AND LITTER 11 HAND RAILS ON STEPS 12 DOG WASTE BINS & LITTER BINS 13 DAISY FIELD 14 PARKING JONES STREET 15 BOW TOP RAILINGS BOTTOM OF BEDDLWYN ROAD	1. PARKS 2. PARKS 3. HIGHWAYS 4. HIGHWAYS 5. HIGHWAYS 6. WASTE MANAGEMENT 7. KWT 8. PARKS/HIGHWAYS 9. PARKS 10. PARKS 11. HIGHWAYS 12. WASTE MANAGEMENT 13. HIGHWAYS 14. HIGHWAYS 15. PARKS	4	£ 210,959.71	
2 (Q2)	2018/2019	NEW TREDEGAR	140	ANNA LEWIS	GLYNSYFI COMPLETED	ONGOING		5	1. TREES ON THE BOUNDARY OF THE SCHEME TO BE CUT AND BRAMBLES CUT BACK AND GENERAL CLEAN-UP OF LAND. (I WILL CONTACT KEEP WALES TIDY IN RELATION TO THE CLEAN-UP). THE AREA IS HIGHWAYS OWNED BUT HAS BEEN AN ONGOING ISSUE FOR TENANTS THERE FOR A NUMBER OF YEARS. TENANTS HAVE SAID TREE CUTTING WAS TAKING PLACE UNTIL THE NEW ROAD WAS BUILT. 2. BUSHES ON THE SCHEME TO BE TAKEN AWAY WHERE POSSIBLE OR CUT BACK TO ALLOW FOR ACCESS TO PARKING (OVERGROWN), TO BE MORE EASILY MAINTAINED AND MAKE THE AREA LOOK MORE APPEALING. 3. REPLACEMENT OR PAINTING WHERE POSSIBLE OF X3 BENCHES AS TENANTS ARE UNABLE TO SIT ON THEM AS THEY ARE IN A 'BAD STATE' YET HAVE BEEN WELL USED AND PEOPLE WOULD LIKE TO CONTINUE TO USE THEM FOR SOCIALISING AND TO SIT OUT DOORS. 4. NO PARKING SIGNAGE WHERE THERE ARE DROPPED KERBS FOR DISABLED ACCESS. 5. THE ADDITION OF X2 DROPPED KERBS AS THERE IS ONLY ONE EACH END OF THE SITE.	1. PARKS -DB 2. PARKS-DB 3. PARKS 4. HIGHWAYS 5. HIGHWAYS	4	£ 6,735.00	2018 FOR GLYNSYFI WORKS
2 (Q2)	2018/2019	PONTLOTTYN	233	ANNA LEWIS		ONGOING	PARKING ON SUNNYVIEW RAILINGS, WALLS, HANDRAILS - BRYNHFRYDD/BRYNGLAS UPGRADE COMM CENTRE LAND UPGRADE PARK STEPS ON BLACK PATH CLEAN UP AROUND FARM RD SIGNAGE NOTICE BOARD WALLS THOUGH VILLAGE	10					
2 (Q2)	ONGOING	GILFACH (LOWER)	108	ANNA LEWIS		TO BE STARTED							
2 (Q3)	2018/2019	ABERBARGOED (MIDDLE)	88	ANNA LEWIS		ONGOING	STARTING TO BE PACKAGED						
ONGOING	2018/2019	PORSET PARK*	179	BETH SMITH		ONGOING	SKATE PARK, GWAUN NEWYDD PARKING, COED CAE PARKING	9	1 BOLLARDS ON LON YR ODYN 2 BINS AND BENCHES ON PORSET PARK, 3 DROPPED KERB, 4 RAILINGS ON COED MAIN, 5 SIGNAGE ON GWAUN NEWYDD	VARIOUS	4	£ 219,380.00	2020
ONGOING	2018/2019	TRETHOMAS	145	BETH SMITH	GROVE I & GROVE II - COMPLETED	ONGOING	PLANTING, PARKING NOT FEASIBLE, AEL Y BRYN, GROVE	5		COMMUNITY GROUP		£ 60,000.00	2020
ONGOING	2018/2019	MACHEN	63	BETH SMITH		ONGOING	PLANTING, PARKING AREAS, GRAIG VIEW	7	TREES ON FFWRWM ROAD, BENCH OF THE CRESCENT, RAILING ON FFWRWM RD	PARKS 2 COMPLETE	2	£ 50,000.00	
COMPLETED	2018/2019	PONTYMISTER	164	LYNNE JOHN	TY ISAF - COMPLETED	COMPLETED	TY ISAF BENCHES AND RAISED BEDS RESURFACING OF DEAD SPACE TO THE SIDE OF THE SCHEME	2					

CONSULTATION SCHEDULE	YEAR	COMMUNITY	NO OF COUNCIL PROPERTIES	ENVIRONMENTAL OFFICER	SHELTERED HOUSING SCHEME	CONSULTATION STATUS COMPLETED / ONGOING / TO BE STARTED	POTENTIAL PROJECTS	PROJECTS	WORK ISSUED - COSTINGS REQUESTED, AWAITING COMMENCEMENT ETC	TO WHOM	NUMBER OF PROJECTS COMPLETED	ESTIMATED EXPENDITURE WITHIN COMMUNITY	ANTICIPATED COMPLETION DATE
COMPLETE	2017/2018	ABERTYSSWG (Rhymer South)	82	ANNA LEWIS	PROSPECT PLACE COMPLETED	COMPLETED		19	1. REDUCE GREEN AREA OPPOSITE 1-6 AND PROVIDING ADDITIONAL 4 PARKING SPACES FOR AND KNEE RAIL TO PREVENT UNACCEPTABLE PARKING ON THE GREEN AND TO WIDEN THE ROAD. 2. REPLACE HANDRAIL TO LEFT HAND SIDE ENTERING GREENSWAY WITH GREEN METAL LOOP TOP FENCING AND GATE 3. REMOVE BOLLARDS AT BOTTOM RIGHT HAND SIDE TO ALLOW ACCESS FOR GRASS CUTTER 4. REMOVE OLD CONCRETE FENCE POSTS FROM LEFT AND RIGHT PATH AND REPLACE WITH HANDRAIL GOING DOWN THE FULL LENGTH OF THE LEFT HAND SIDE OF THE PATHWAY & REPLACE HANDRAIL ON RIGHT HAND SIDE PATHWAY 5. PAINT BARRIER AT THE TOP OF THE PATH LEADING TO LOWER ABERTWSSYG AND PAINT BOLLARDS AT THE BOTTOM. 6. REPLACE KNEE RAILS AROUND GRASS AREA FAR END OF GREENSWAY SO THAT THEY GO ALL THE WAY AROUND TO PREVENT MOTORBIKES ENTERING 7. RESURFACE PATH WAY TO LOWER ABERTWSSYG ON LEFT HAND SIDE 8. REMOVE SMALLER BOLLARDS AT BOTTOM OF THE PATH LEADING TO THE BACK OF THE HOUSES AND REPLACE IF POSSIBLE AND WITHIN BUDGET Prospect Place Projects 1. BOW TOP FENCING 2. STOCK PROOF FENCING 3. SPRING/RUBBER ON GATE 4. HANDRAILS & PATHWAY ON LEFT 5. EXTEND CAR PARK 6. FORMALISED PARKING BAYS 7. 5MPH SIGN/SIGNAGE/WAYFINDER 8. BENCHES REPLACED	1. HIGHWAYS 2. HIGHWAYS 3. HIGHWAYS 4. HIGHWAYS 5. HIGHWAYS 6. HIGHWAYS 7. HIGHWAYS 8. HIGHWAYS	6	£62,650.00	2018 Prospect Place 2020

CONSULTATION SCHEDULE	YEAR	COMMUNITY	NO OF COUNCIL PROPERTIES	ENVIRONMENTAL OFFICER	SHELTERED HOUSING SCHEME	CONSULTATION STATUS COMPLETED / ONGOING / TO BE STARTED	POTENTIAL PROJECTS	PROJECTS	WORK ISSUED - COSTINGS REQUESTED, AWAITING COMMENCEMENT ETC	TO WHOM	NUMBER OF PROJECTS COMPLETED	ESTIMATED EXPENDITURE WITHIN COMMUNITY	ANTICIPATED COMPLETION DATE
2 (Q3)	2018/2019	BARGOED	157	ANNA LEWIS	ST GWLADYS COMPLETED	ONGOING		10	1. RAMPS FOR ACCESS - OFF SITE 2. LINE MARKING FOR PARKING, WALKWAYS & HATCHED AREA 3. TIDY UP AND ASPHALTING TO ENTRANCE OF COMPLEX 4. SIGNAGE 5. DRAINS AND PATHWAYS 6. CLEAN UP - CUT BACK OVERGROWTH & REMOVAL OF TREE 7. PICNIC TABLE 8. BIRD BOXES 9. APPLE TREE 10. GREEN HOUSE, ALLOTMENT AREA, BBQ AREA, PLANTERS - LATER	1. HIGHWAYS 2. HIGHWAYS 3. HIGHWAYS 4. HIGHWAYS 5. HIGHWAYS 6. PARKS 7. PARKS 8. GROUNDWORK 9. TARRAGON 10. LATER	2	£ 60,687.20	2019
2 (Q3)	2018/2019	MAESYCWMMER	112	ANNA LEWIS	Y GLYN COMPLETED	TO BE STARTED	SUBWAY PARKING BAYS MAINTENANCE - WALLS COMMUNITY ORCHARD MEASURES TO STOP OFF ROAD VEHICLES	12	1. REMOVE PLANTING WERE POSSIBLE AROUND THE CENTRE AND OPPOSITE TENANTS HOMES ON GRASSED COMMUNAL AREAS AS THESE HAVE BECOME OVERGROWN AND UNKEMPT. THIS WILL ALLOW THE AREA TO BE EASILY MAINTAINED AND LOOK AESTHETICALLY PLEASING. 2. RENEW BENCHES X3 - ONLY THE BENCHES THERE ALREADY WILL BE REPLACED AND ONLY THE ONES THAT WERE PUT IN BY CCBC - THERE IS AN ADDITIONAL ONE THAT WILL NOT BE REPLACED AS IT WAS PUT IN AS A MEMORIAL BENCH BY A TENANT. NO ADDITIONAL BENCHES TO BE PUT IN 3. ONE OFF LITTER PICK - (TO BE COMPLETED BY GROUNDWORK OR KEEP WALES TIDY) 4. OUTSIDE COMMUNAL TAP NEAR TO LAUNDRY FACILITY 5. ADDITIONAL PARKING SPACES TO BE CREATED BEHIND 3-6 AND RE-FORMALISATION OF THE CURRENT PARKING IN THE SAME AREA TO ALLOW FOR MORE SPACES IF POSSIBLE. IT WAS INITIALLY SUGGESTED FOR ADJACENT TO 1&2 BUT THIS WAS NOT AGREED BY TENANTS AFTER A WALKABOUT AS IT WAS FELT THE SPACES WOULD BE USED BY OTHERS RATHER THAN THOSE LIVING IN Y GLYN 6. TENANTS HAVE REQUESTED A DROPPED KERB NEAR THE COMMUNAL WALKWAY SECTION TO BE ABLE TO ACCESS THE ROAD & SIGNAGE TO SHOW FOR DISABLED ACCESS 7. ADD WAY FINDER SIGNAGE FOR EMERGENCY SERVICES AND VISITORS	1. PARKS 2. PARKS 3. KWT 4. EXTERNALS 5. HIGHWAYS 6. HIGHWAYS 7. DESIGN	5	£ 23,519.00	2018 FOR Y GLYN WORKS
2 (Q4)	2018/2019	BRITANNIA	83	BETH SMITH		TO BE STARTED	BOLLARD ON ROUNDABOUT TO STOP CARS PARKING UP THERE. BUTTERFLY PLANTING, PAINT MUGA	6	HODGES CRESCENT AND SALWAY AVENUE POSTS AND FENCING, WORK TO THE BUTTERFLY ROUNDABOUT, ANGEL LANE RAILINGS	PARKS HRO	2	£ 20,000.00	
2 (Q4)	2018/2019	GELLIGAER / INCL PENYBRYN	350	ANNA LEWIS	WAUNRHIDD COMPLETED	ONGOING		7	1. TREES TO BE REMOVED OR CUT WHERE POSSIBLE - DUE TO SLIP HAZARD AND ALMOST TOUCHING PROPERTIES. 2. REMOVAL OF LARGE PLANTERS 3. PAINT / RENEW BENCHES 4. PATHWAYS TO BENCHES 5. KERB TO BE LOWERED AT THE SIDE OF THE COMMUNAL HALL TO ALLOW FOR DISABLED ACCESS 6. PARKING MARKED OUT CLEARLY OR A WALKWAY TO ALLOW FOR WHEELCHAIRS AND OTHER WALKING AID USERS TO PASS THE CARS TO ENTER THE COMMUNAL HALL 7. SPRAYING OF WEEDS	1. PARKS - DB 2. EXTERNALS 3. PARKS 4. PARKS 5. HIGHWAYS 6. HIGHWAYS 7. PARKS	5	£12,528.26	2018 FOR WAUNRHIDD WORKS
2 (Q4)	2018/2019	FAIRVIEW	31	BETH SMITH		TO BE STARTED		1	ANEURIN CLOSE STEPS	HRO	1	£ 6,000.00	COMPLETE
2 (Q4)	2018/2019	CEFN FFOREST incl Twyn Gardens	389	BETH SMITH	TY BEDWELLY - COMPLETED	TO BE STARTED	WHEATLEY PLACE AND GRAIG GLAS AVENUE and DYLAN AVENUE and TY BEDWELLY, ECO PARK	8	BRYNGOLEU DEAD ZONE, WAUNBORFA ROAD, DYLAN AVENUE LINES ON THE ROAD, TWYN GARDENS PAINTING AND CONCRETING, TY BEDWELLY	Parks	2	£ 58,567.00	
COMPLETE	2018/2019	PENGAM	28	BETH SMITH		COMPLETED	PARKING IN ISLWYN CLOSE, BENCHES, HATCHED OUT AREA, SIGNAGE	3	BOLLARD ON ISLWYN CLOSE PARKING	NCS	1	745,000	
2 (Q4)	2017/2018	BLACKWOOD	307	LYNNE JOHN	PALMER PLACE / GIBBS CLOSE	ONGOING	BLOOMFIELD ROAD REVAMP GREENSPACE AREA CORONATION ROAD - FORMALISATION OF PARKING UPGRADE PLAY EQUIPMENT IN APOLLO RD MORRISON STREET - INCREASE PARKING	4	ALDERMAN CLOSE FENCING	PARKS (COMPLETED)	1	£ 5,364.00	
3 (Q1)	2019/2020	RHYMNEY SOUTH	447	ANNA LEWIS	ST CLARES COMPLETED	COMPLETED	STARTING TO BE PACKAGED	5	1. 7 BENCHES (3 REPLACEMENT AND 1 NEW IN THE INNER COURTYARD AREAS AND 3 REPLACEMENT AT THE FRONT) 2. CLEAN THE MOSS ETC FROM THE CAR PARK AREA 3. CONCRETE THE PATIO AREA WHERE FLOWER BEDS ARE TO ALLOW FOR ACCESS - ALREADY COMPLETE 4. NEW ENTRANCE SIGNAGE 5. CUT BACK OF TEES AT ENTRANCE - WILL NEED FURTHER INVESTIGATION. IN PRINCIPLE DECISION NEEDED.		1	£ 4,685.20	2018
COMPLETE	2017/2018	MAES MABON	148	ANNA LEWIS		COMPLETED		13	1 PATHWAYS ON MAES MABON TO GIVE ACCESS TO PEDESTRIANS 2 HAND RAILS ON STEPS AT MAES MABON & RAMPS - DISABLED ACCESS - DROPPED KERBS, PARKING BAYS REMOVED 3 PATHWAY REPLACED NEAR BUNGALOWS 28-33 YNYS LAS 4 ACCESS AT BACK OF PROPERTIES WHERE TUNNELS HAVE BEEN BLOCKED. 5 DRAINAGE RELATING TO FLOODING OF PROPERTIES NEAR PARK AND ON MAES YR ONEN LLWYN YR EOS AS WELL AS ON PARK/ESTATE ITSELF 6 RAILINGS, TREE AND WALLS ON LLAN Y PARC 7 COMMUNITY ORCHARD 8 MEASURES TO STOP OFF ROAD BIKES NEAR PARK 9 LITTER AND DOG BINS 10 CLEAN UP BY SCHOOLS & PARK BOTH OVERGROWTH AND LITTER 11 STREET SIGNAGE & ENTRANCE SIGNAGE 12 SEATING ON WAY TO VILLAGE 13 MUGA	1. HIGHWAYS 2. HIGHWAYS 3. HIGHWAYS 4. HIGHWAYS 5. HIGHWAYS 6. HIGHWAYS 7. HIGHWAYS 8. HIGHWAYS 9. WASTE MANAGEMENT 10. PARKS 11. PARKS/HIGHWAYS 12. PARKS 13. PARKS	0	£ 401,600.00	
3 (Q1)	2018/2019	PONTYWAUN	76	LYNNE JOHN	CASTLE COURT	TO BE STARTED							
3 (Q1)	2018/2019	NEWBRIDGE	88	LYNNE JOHN	HIGHFIELD HOUSE - COMPLETED	ONGOING	CREATE EXTRA PARKING IN HIGHFIELD HOUSE	1	REPLACEMENT BENCHES X 5	PARKS (COMPLETED)	1	£ 2,240.00	
3 (Q1)	2019/2020	MORRISVILLE (WATTSVILLE)	12	LYNNE JOHN		TO BE STARTED							
3 (Q1)	2019/2020	WESTEND (ABERCARN)	12	LYNNE JOHN		TO BE STARTED							
3 (Q1)	2019/2020	PERSONDY	29	LYNNE JOHN		TO BE STARTED							
3 (Q1)	2019/2020	PENTWYNMAWR	62	LYNNE JOHN	MAESTEG - COMPLETED	COMPLETED	ASSORTED AESTHETIC WORK INCLUDING PLACENAME SIGNAGE INSTALLATION OF BARRIER TO PREVENT OFF RD BIKERS	4	CREATE PATIO AREA AND JET WASH BUILDING	WHQS EXTERNALS			
3 (Q1)	2019/2020	LLANFACH	24	LYNNE JOHN		TO BE STARTED							
COMPLETED	2019/2020	CROESPENMAEN	62	LYNNE JOHN	TY MELIN - COMPLETED	COMPLETED	BENCHES AND RAISED BEDS IN TY MELIN PARKING OUTSIDE TY MELIN	4	SHELLEY CLOSE PARKING BAY BENCHES AND RAISED BEDS IN TY MELIN	NCS (COMPLETED) PARKS	1	£ 7,000.00	

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3 (Q1)	2018/2019	FLEUR DE LYS	46	BETH SMITH		TO BE STARTED		1	GWENT COURT	NCS		£ 5,000.00	
3 (Q1)	2019/2020	MARKHAM - HOLLYBUSH	132	BETH SMITH		TO BE STARTED	ADDITIONAL WORKS IN MOUNTAIN VIEW	3	1 COMMIN CLOSE CUTTING BACK, MOUNTAIN VIEW VARIOUS 2 MONMOUTH WALK PAINTING AND SHRUB AREA REMOVED,	1,2 PARKS AND PARKS 3 NCS	2	£ 10,000.00	
3 (Q1)	2019/2020	UPPER TRELYN (Little Australia)	79	BETH SMITH		TO BE STARTED	brighten up the streets??	2	LINES ON THE CAR PARKS, CUTTING BACK AREAS, CWRT Y WAUN RAILINGS	NCS AND PARKS	2	£ 10,000.00	
COMPLETE	2018/2019	BRITHDIR	8	ANNA LEWIS		COMPLETED		4		1. BENCHES X2 AT FRONT OF FLATS 2. CLEAN UP GROUNDS FRONT	4	£ 4,685.20	
ONGOING	2017/2018	RHYMNEY NORTH (INCL BUTETOWN)	384	ANNA LEWIS		COMPLETED		14	1. RUBBISH AMNESTY 2. LIGHTING AND PARKING FORMALISATION ON GLAN Y NANT 3. REPLACE GATE ON GRASSED AREA OF TY COCH 4. REPLACE BARRIER AND KNEE RAIL ON TY COCH PARK AREA 5. FOOTBALL POSTS ON TY COCH PARK AREA 6. OFF ROAD BIKE MEASURES ON TOP PLATEAU OF RHYMNEY – VARIOUS STREETS AND LOCATIONS 7. TY COCH LANE CLEAN UP 8. WASTE AND DOG WASTE BINS 9. BRYN CARNO – REPLACE BOLLARDS 10. CLEAN UP GARAGE AREA BACK OF PEN Y DRE 11. WILDFLOWER PLANTING 12. KNEE RAIL ON LAND NEAR PREMIER STORES 13. CLEAN UP LANE BEHIND ROYAL PUB 14. DROPPED KERBS – PEN Y DRE	1. WASTE MANAGEMENT 2. HIGHWAYS 3. PARKS 4. PARKS 5. PARKS 6. HIGHWAYS 7. PARKS 8. WASTE MANAGEMENT 9. HIGHWAYS 10. PARKS 11. PARKS 12. HIGHWAYS 13. PARKS 14. HIGHWAYS	3	£ 46,768.39	
ONGOING	2019/2020	ARGOED	30	BETH SMITH		ONGOING	PENYLAN ROAD BACK LANE LIMITED TO WHAT WE COULD DO BUT COULD CREATE SOME BETTER AREAS FOR PARKING IN THE LANE NOT SURE IF THIS WOULD HELP THOUGH AS THE PROBLEM IS ON THE BROW OF THE HILL AREA AND THERE IS NOWHERE TO PUT PARKING ON THE BACK LANE HERE	1					
ONGOING	2019/2020	THOMASVILLE (ENERGLYN)	31	BETH SMITH		ONGOING	INVESTIGATED PARKING BUT CANT DO IT	1					
3 (Q4)	2019/2020	CAERBRAGDY	24	BETH SMITH		TO BE STARTED	NOTHING HERE						
3 (Q4)	2019/2020	TY NANT	29	BETH SMITH		TO BE STARTED	PARKING	1					
ONGOING	2019/2020	RUDRY (incl TRAPWELL)	25	BETH SMITH		ONGOING	PARKING, DROPPED KERBS IN TRAPWELL OPEN UP THE SPACE	2	DROPPED KERB ON EDWARD THOMAS CLOSE	HIGHWAYS	0	£ 5,450.00	WITHIN 2 WEEKS
3 (Q4)	2019/2020	TY ISAF	7	BETH SMITH		TO BE STARTED	CUTTING BACK TREES ON FRONT AREA	1				£ 5,000.00	
2 (Q3)	2018/2019	ABERBARGOED (LOWER)	47	ANNA LEWIS		ONGOING	STARTING TO BE PACKAGED						
2 (Q3)	2018/2019	ABERBARGOED (UPPER)	218	ANNA LEWIS		ONGOING	STARTING TO BE PACKAGED						
2 (Q4)	2018/2019	CASCADE	18	ANNA LEWIS		TO BE STARTED							
2 (Q4)	2018/2019	CEF N HENGOED	165	ANNA LEWIS		TO BE STARTED							
3 (Q1)	2019/2020	YSTRAD MYNACH	48	ANNA LEWIS		TO BE STARTED						£ 4,685.20	
COMPLETE	2017/2018	TREOWEN	11	LYNNE JOHN		COMPLETED			REPLACE BENCHES AND INSTALL SETTLEMENT SIGN ON THE ELLIPSE	PARKS (COMPLETED)	2	£ 5,960.00	
COMPLETE	2017/2018	YNYSDDU / CWMFELINFACH	41	LYNNE JOHN	ALEXANDRA COURT	COMPLETED	ISLWYN CLOSE PARKING / GRAIG VIEW	2	ISLWYN CLOSE PARKING GRAIG VIEW ASB	PROPOSAL REJECTED PARKS (COMPLETE)	1		
COMPLETE	2018/2019	ABERCARN	38	LYNNE JOHN	GWYDDON COURT/THE RANKS - COMPLETED	COMPLETED			THE RANKS TARMAC AND DROPPED KERB/BINSTORE REPLACE BENCHES GWYDDON COURT BIN STORE AND PATIO	NCS AND EXTERNAL TEAM	1		

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CONSULTATION SCHEDULE	YEAR	COMMUNITY	NO OF COUNCIL PROPERTIES	ENVIRONMENTAL OFFICER	SHELTERED HOUSING SCHEME	CONSULTATION STATUS COMPLETED / ONGOING / TO BE STARTED	POTENTIAL PROJECTS	PROJECTS	WORK ISSUED - COSTINGS REQUESTED, AWAITING COMMENCEMENT ETC	TO WHOM	NUMBER OF PROJECTS COMPLETED	ESTIMATED EXPENDITURE WITHIN COMMUNITY	ANTICIPATED COMPLETION DATE
COMPLETE	2017/2018	DERI	29	ANNA LEWIS	YSGWYDDGWYN COMPLETED	COMPLETED	IMPROVEMENTS TO THE PARK TREDEGAR TERRACE PATH	14	DERI 1. HAND RAIL AND STEPS AT GLYN DERW 2. RE LAY STEPS AT GLYN DERW AND H LINES BELOW STEPS 3. STEPS LEADING TO PARK 4. BULB PLANTING ON BANKING AT GLYN DERW 5. PARKING ON GLYN DERW 6. BENCH - NEAR BUS STOP - INTERPRETATION BENCH IF POSSIBLE 7. KNEE RAILS ON GLYN DERW YSGWYDDGWYN 1. PARKING SIGNAGE (RESIDENTS ONLY), REQUESTED LINES FOR BAYS 2. PAINT STEPS (WHITE LINES) 3. OUTSIDE LIGHTS NOT WORKING (ATTACHED TO BUILDINGS) 4. PATHS CLEARED OF MOSS AND LEAVES/GRASS 5. TREES CUT BACK AND REMOVED WHERE POSSIBLE 6. BENCHES AND PICNIC TABLES RENEWED/PAINTED 7. ADDITIONAL TREE WORKS - POLLARDING	DERI 1. HIGHWAYS 2. HIGHWAYS 3. HIGHWAYS 4. PARKS 5. HIGHWAYS 6. PARKS 7. HIGHWAYS YSGWYDDGWYN 1. HIGHWAYS 2. HIGHWAYS 3. EXTERNALS 4. PARKS 5. PARKS 6. PARKS 7. PARKS	7	£ 66,900.00	2018
COMPLETE	2017/2018	PENYRHEOL	492	BETH SMITH	PLEASANT PLACE - COMPLETED	COMPLETED		14	1 PAINTING RAILINGS ON BRYN HEULOG 2 WALL REPAIRS ON HEOL FAWR 3 CAR PARKING ON PENYBRYN, GELLIDEG 4 SKATE PARK 5 ADDITIONAL EQUIPMENT IN THE PARK 6 OUTDOOR GYM 7 PLEASANT PLACE, SIGNAGE AND DROPPED KERBS AND BENCH 8 TRIP RAILINGS 9 TIDY UP THE WALL ON HEOL ANEURIN 10 PARKING ON HEOL ANEURIN 11 BULB PLANTING WITH THE COMMUNITY 12 PENTWYN AND PEN Y Y BRYN 13 BINS ON THE TRIP 14 BRYN GLAS RAILING	4,5,6,11 PARKS NCS AND EPG	3	£ 248,641.32	2018
COMPLETE	2017/2018	CHURCHILL PARK	178	BETH SMITH	GLYNDERW - COMPLETED	COMPLETED		6	1 ROUNDABOUTS, 2 PLANTING THE PLANTERS ON LEWIS DRIVE 3 SEVERAL BARRIERS 4 TAKING DOWN A WILLOW TREE 5 PUTTING ANTI VANDAL PAINT ON 2 ROOFS, 6 DYLAN DRIVE EXTRA PARKING	1, 5 and 6 NCS, 2,3,4 PARKS	2	£ 90,000.00	2018
COMPLETE	2017/2018	NELSON	80	ANNA LEWIS	HEOL ISLWYN TO BE STARTED	COMPLETED		7	1. Paint skate park - to be match funded by Community Council 2. Sensory garden & Planters for children at Community Centre 3. Clean up ambulance area 4. Bulb planting opposite library 5. Gate on side of community centre 6. Waste/dog waste bins near school lanes 7. Bench renewed on Bryncelyn			£ 6,570.00	
COMPLETE	2017/2018	PWLLYPANT	38	BETH SMITH		COMPLETED		3	1 RAILINGS, 2 FENCING, AND WALL REPAIR 3 BOE	1 NCS AND 2 AND 3 HRO	3	£ 21,000.00	COMPLETE
COMPLETE	2017/2018	BRYNCENYDD (INCL MORGAN JONES PARK)	32	BETH SMITH		COMPLETED		2	PLAS PHILLIPS, BENCH AND BOLLARD	PARKS	1	£ 3,000.00	
COMPLETE	2017/2018	WAUNFACH	17	BETH SMITH		COMPLETED		2	BENCHES AND DEB SMYTHE PAID FOR THE PARKING	PARKS	2	£ 2,440.00	COMPLETE
COMPLETE	2017/2018	SENGHENYDD	118	BETH SMITH		COMPLETED		3	1 PLAS CWM PARC VARIOUS 2. PATHWAYS BETWEEN PLAS CWM PARC AND THE MAIN ROAD, LITTER PICK WITH THE COMMUNITY 3. TAN Y BRYN WALL REPAIRS	VARIOUS FOR COSTINGS	0	£ 52,000.00	
COMPLETE	2017/2018	ABERTRIDWR	134	BETH SMITH		COMPLETED		6	1 ABERTRIDWR PARK 2 ILAN ROAD CLEARANCE OF PATHS AND WALL REPAIR 3 GRANG VY FEDW AREA TO BE RETARMACED AND CLEARED 4 LITTER PICKS WITH THE COMMUNITY DROPPED KERB 5 SIGNAGE FOR ILAN ROAD FLATS 6 DROPPED KERB		2	£ 60,000.00	
COMPLETE	2017/2018	TRECENYDD	201	BETH SMITH		COMPLETED		8	1 BIN STORE AREAS ON THE GRANGE AND THIRD AVENUE 2 GENERAL TIDY UP 3 ADDITIONAL EQUIPMENT IN THE PARK 4 TURNING AN OVERGROWN AREA ON FIRST AVENUE INTO GRASS 5 BENCHES ON GRANGE CLOSE 6 OVERGROWN AREA ON GRANGE CLOSE 7 CAR PARK ON WEST AVENUE RELAYED 8 HANDRAILS ON THE 2 SETS OF STEPS BY THIRD AVENUE AND TEGFAN	2,3,4,5,6 PARKS, 7 AND 8 NCS AND 1 HRO	2	£ 90,000.00	
COMPLETE	2018/2019	NANTDDU	52	BETH SMITH		COMPLETED	1 DROPPED KERB FENCING, WHITE LINES, SIGNAGE 3. PLANTING, REBUILD PLANTERS, AND PAVING, FENCING	3	1 DROPPED KERB, complete 2. FENCING, WHITE LINES IN CAR PARK, RESIDENTS ONLY PARKING SIGNS, 3. PLANTING, FENCING TO STOP DOG FOULING	VARIOUS	1	£ 34,084.00	SOFT AND HARD LANDSCAPING 2018
COMPLETE	2019/2020	TIRPHIL	39	ANNA LEWIS		COMPLETED		5			0	£ 1,900.00	2018
ONGOING	2017/2018	GILFACH PARK ESTATE TOTAL	388	ANNA LEWIS	OAKLANDS COMPLETED	COMPLETED		21	1. MEASURES TO PREVENT OFF ROAD BIKES ON TOP PLATEAU AND OAK PLACE 2. REPAIR/ REMOVE WALLS THROUGHOUT THE ESTATE 3. REMOVE STEPPED PARKING BAYS 4. RUBBISH AMNESTY 5. LITTER PICK 6. COMMUNITY ORCHARD 7. WASTE AND DOG WASTE BINS 8. SETTLEMENT SIGN 9. HIGH KERBS ON ROUNDABOUT NEAR COMMUNITY CENTRE TO STOP VEHICLES MOUNTING ROUNDABOUT 10. BULB PLANTING 11. FOOTPATH NEAR SHOP 12. IMPROVEMENTS TO THE PARK 13. CUT BACK ON ESTATE-INCLUDING UNDERPASSES TREES ON BRYNTEG, PARK VIEW, 14. "BOWLS" AREA - CLEANED UP AND CUT BACK AND FENCING MEASURES TO STOP FLYTIPPING ON PARK VIEW. 1. SPEED RAMP NEAR ENTRANCE / OPPOSITE FIRST PARKING BAYS 2. SIGNAGE FOR TURNING CIRCLE REGARDING USE FOR EMERGENCY SERVICE AND ENSURING OTHER SIGNAGE IS ADEQUATE AND PRACTICALLY LOCATED FOR RESIDENTS ONLY PARKING. 3. PLANTING, WILDFLOWERS, SHRUBS, BULBS 4. CUTTING BACK OF OVERGROWTH AND REMOVAL OF WEEDS & BOUNDARY TREES 5. BENCHES RENEWED X1 AND X2 REPAINTED	1. HIGHWAYS 2. HIGHWAYS 3. HIGHWAYS 4. WASTE MANAGEMENT 5. KWT 6. PARKS 7. WASTE MANAGEMENT 8. PARKS 9. HIGHWAYS 10. PARKS 11. HIGHWAYS 12. PARKS 13. PARKS 14. PARKS 1. HIGHWAYS 2. HIGHWAYS 3. PARKS 4. PARKS 5. PARKS 6. EXTERNALS 7. EXTERNALS	3	£ 554,033.21	
2 (Q4)	2018/2019	PENPEDAIRHEOL	8	ANNA LEWIS		TO BE STARTED							
COMPLETE	2017/2018	TIRYBERTH	44	ANNA LEWIS		COMPLETED		3	1. REMOVAL OF PLANTERS 2. REPLACEMENT OF BENCHES 3. PLANTING		0		
ONGOING	2017/2018	CROSSKEYS	149	LYNNE JOHN	WAUNFAWR HOUSE TREDEGAR COURT	ONGOING	RISCA ROAD FLATS PARKING - ENHANCEMENT OF WAUNFAWR GREEN + BENCHES/VILLAGE GREEN	2	RISCA ROAD PARKING	EPG (AWAITING CONSENT)	0		
COMPLETE	2017/2018	HIGH MEADOW	42	LYNNE JOHN		COMPLETED	POCKET PARK AT THE ENTRANCE / RENOVATION OF THE STEPS	1	DESIGN PROPOSALS FOR WELCOME FEATURE AT ENTRANCE	LANDSCAPE ARCHITECT	0		

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COMPLETE	2017/2018	PANTSIDE (Upper & Lower)	300	LYNNE JOHN	ST PETERS CLOSE - COMPLETED	COMPLETED	WELCOME FEATURE UPGRADE OF PLAY PROVISION AT WILLOW COURT CENTRAL AVE LOWER PARKING CENTRAL AVE MID PARKING SHOPS AREA UPGRADE END OF CLAREMONT AVE REVAMP LAND TO THE REAR OF SHOPS - TREE PLANTING FENCE INSTALLATION AT THE END OF CARLYON INCREASE PARKING IN QUEENS RD AND SUNNYCREST	10	WOODLAND PARK ENHANCEMENT UPGRADE OF PLAY PROVISION CENTRAL AVE (MID) PARKING CENTRAL AVE (LOWER) PARKING CLAREMONT AVE BENCHES AND FENCING AT SHOPS	PARKS - COMPLETE AWAITING APPROVAL NCS (COMPLETE APART FROM BENCH) NCS PARKS FOR COSTS PARKS (COMPLETE)	3	£ 102,759.00	
COMPLETED	2017/2018	TY SIGN	460	LYNNE JOHN	HAFOD Y BRYN	COMPLETED	HOLLY ROAD WINDOW BOXES. BIN STORE (PASSED TO HOUSING TO PROGRESS) HOLLY RD COMMUNITY GARDEN ENHANCEMENT OF GREEN PLATEAU BY MUGA / WOODLAND WALK ON HOLLY RD PARKING ON ELM DRIVE ENHANCEMENT OF THE SHOPS AREA	6	RISCA SKATE PARK FORSYTHIA CLOSE BIN STORE HOLLY RD WINDOW BOXES	PARKS - WITH CONTRACTOR NCS - COMPLETED PARKS / MARK PEARCE	1	£ 46,714.00	
ONGOING	2018/2019	CWMCARN	104	LYNNE JOHN		TO BE STARTED	HARD LANDSCAPE TO ALLEVIATE ASB AT THE STEPS / PROVISION OF MORE PLAY EQUIPMENT?	2			0		

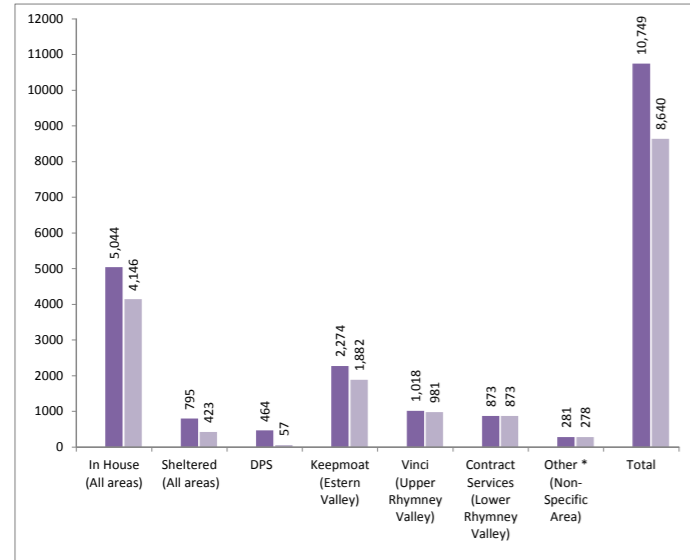
CONSULTATION SCHEDULE	YEAR	COMMUNITY	NO OF COUNCIL PROPERTIES	ENVIRONMENTAL OFFICER	SHELTERED HOUSING SCHEME	CONSULTATION STATUS COMPLETED / ONGOING / TO BE STARTED	POTENTIAL PROJECTS	PROJECTS	WORK ISSUED - COSTINGS REQUESTED, AWAITING COMMENCEMENT ETC	TO WHOM	NUMBER OF PROJECTS COMPLETED	ESTIMATED EXPENDITURE WITHIN COMMUNITY	ANTICIPATED COMPLETION DATE
COMPLETED	2018/2019	TRINANT	242	LYNNE JOHN	HOREB COURT - COMPLETED	COMPLETED	REVAMP OF TRINANT SQUARE UPGRADE OF PLAY PROVISION - HOREB COURT PATHWAYS, BENCHES AND PLANTERS/ CHAIN LINK FENCING REPLACEMENT VILLAGE GREEN TOP OF PENTWYN TCE ST PETERS KERB INCREASE FENCING TO THE REAR OF ST PETERS COMM LOUNGE OSBOURNE RD - REMOVE STEPPED PARKING BAYS	9	TRINANT SQUARE REVAMP UPGRADE OF PLAY PROVISION HOREB COURT - BENCHES, PLANTERS REPLACE FENCING ALONG ROW VILLAGE GREEN ENHANCEMENT PRINCESS CRESCENT - REMOVE BOLLARDS ST PETERS KERBS FENCING TO THE REAR OF COMM GARDEN	NCS - COMPLETED APART FROM KNEE RAILS AND LINE MARKING PASSED TO CAPITA FOR FEASIBILITY AWAITING CONFIRMATION OF CONTINUED MAINTENANCE PARKS COMPLETE - ISH PARKS (COMPLETE) FURTHER INVESTIGATION REQUIRED PARKS (COMPLETE) PARKS NCS (COMPLETE) WHQS EXTERNALS - WHO	5	£ 34,670.00	
ONGOING	2017/2018	LLANBRADACH	76	BETH SMITH		COMPLETED		2	1. FENCING AND AREA CLEARANCE 2. HAVE BEEN LOOKING AT THE PARKING ON PLAS CAE LLWYD AS WELL	PARKS	0	£ 5,000.00	01/10/2018
ONGOING	2018/2019	BEDWAS	254	BETH SMITH	THE WILLOWS - COMPLETED GREENACRES	ONGOING	PARKING	5	CHERRY TREE CLOSE	PARKS complete	1	£ 350,000.00	PARKING 2019 GREENACRES 2020
ONGOING	2018/2019	GRAIG YR RHACCA	389	BETH SMITH		ONGOING	SKATE PARK, PLAY GROUND, GENERAL TIDY UP, MORE BINS, PLANTING	9	RAILINGS AND WALL S, PLANTING IN VARIOUS LOCATIONS	NCS COMPLETED RAILINGS AND WALLS. PARKS HAVE THE PLANTING	3	£ 300,000.00	2020
ONGOING	ONGOING	LANSBURY PARK AHO*	520	BETH SMITH		ONGOING	PARK, PARKING, ROAD WIDENINGS, GREEN INFRASTRUCTURE IDEAS ETC.	20	ACCESS PROJECT TREVELYAN, GARAGES ANTI VANDAL PAINT			£ 500,000.00	
TO START		CLAUDE ROAD	70	BETH SMITH		ONGOING	WALLS, GENERAL TIDY UP	2				£ 50,000.00	

WHQS - STRATEGIC SCORECARD - LEVELS OF COMPLIANCE
(Standards Met - by Number of Properties)

Reporting Period: **02/11/2018**

***INTERNAL Works Programme** (Stock v Compliance)

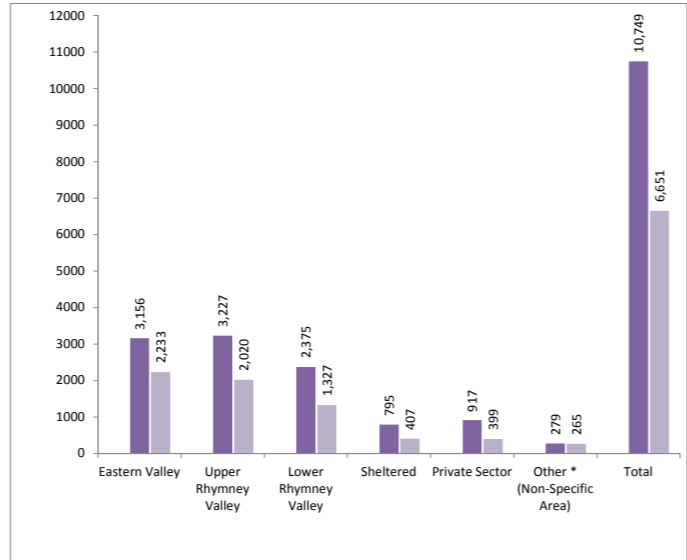
Internal Target 31/3/19	85.00%
Internal Components (% of stock)	80.38%



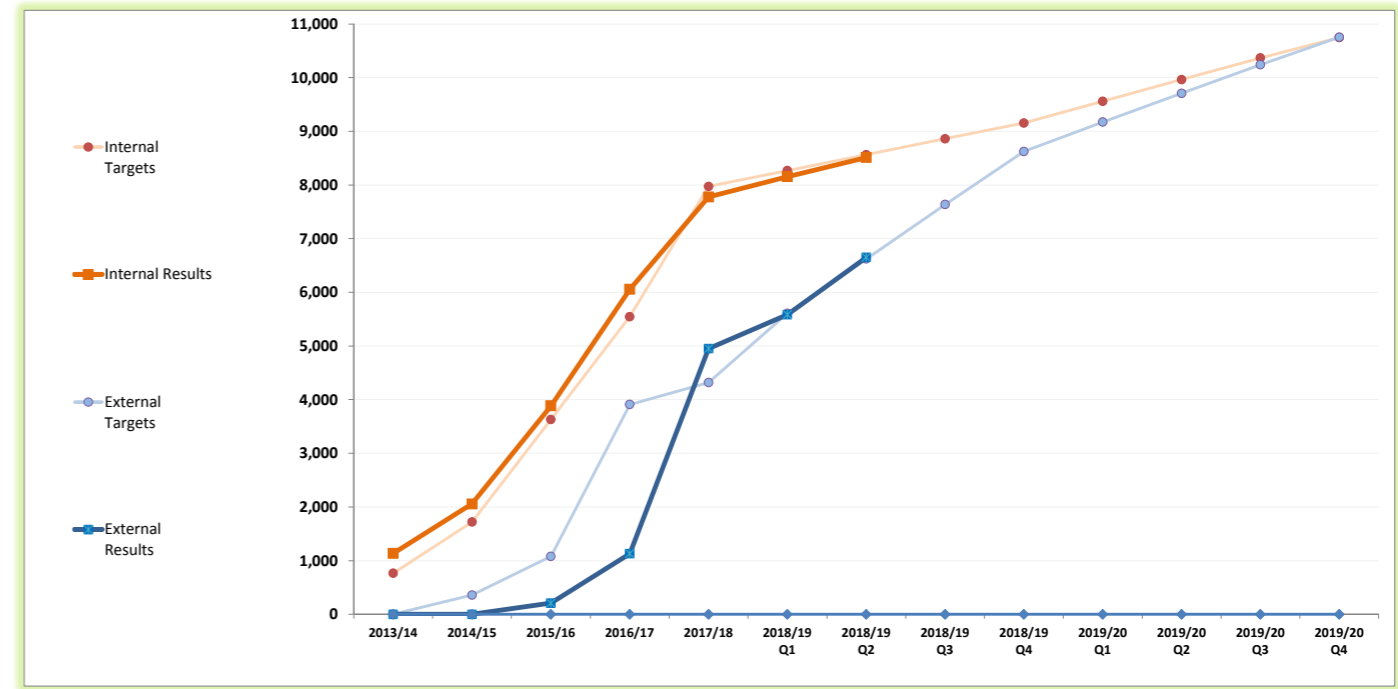
Reporting Period: **26/10/2018**

~ EXTERNAL Works Programme (Stock v Compliance)

External Target 31/3/19	80.00%
External Components (% of stock)	61.87%



INTERNAL & EXTERNAL - Programme Profile (Targets & Results Achieved)



Projected Compliance Date for Internal works - **15th May 2020**

Projected Compliance Date for External works - **10th April 2020**

Financial Programme	12/13	13/14	14/15	15/16	16/17	17/18	18/19 Projected	19/20 Projected	2020 Projected
Budget (£,000's)	19,100	48,320	77,990	107,660	136,880	166,100	195,320	220,000	
Actual Spend	19,057	33,707	49,051	77,683	109,061	152,165	207,968	254,938	
Balance	43	14,613	28,939	29,977	27,819	13,935	(12,648)	(34,938)	

The above finance table details accumulative budget allocations and spend profiles to date, which are subject to annual review and re-profiling.

Tenant Satisfaction Internal Works

Return Rate	40%
	88.0%
Neither Satisfied nor Dissatisfied	5.0%
Dissatisfied	7.0%

Tenant Satisfaction External Works

Return Rate	28%
	71.0%
Neither Satisfied nor Dissatisfied	7.0%
Dissatisfied	22.0%

TARGET PERFORMANCE

INTERNALS	WEEKLY TARGET	WEEKLY RESULT	TARGET ACHIEVED	EXTERNALS	WEEKLY TARGET	WEEKLY RESULT	TARGET ACHIEVED
In House	13.43	12.61		Eastern Valley	21.07	15.56	
Sheltered	3.55	3.13		Upper Rhymney	18.89	16.28	
DPS	1.33	0.45		Lower Rhymney	17.81	14.47	
Keepmoat	6.88	8.26		Sheltered	6.27	6.23	
Vinci	1.91	3.35		Private Sector	8.94	4.05	
Contract Serv	0.03	0.00		Leaseholders	4.87	2.78	
OVERALL	27.13	27.80		Non Trad	0.17	0.08	
				To be allocated	0.12	0.00	
	Target achieved or within 10% tolerance			OVERALL	78	59.45	
	Target not achieved						

COMMENTS/ACTION POINTS

- ~Loss of Contractor Services and poor performance & imminent loss of Vinci terminating the contract early
- ~Newly implemented DPS system utilising local contractors to pick up the work intended for Contractor Services and Vinci and external works
- ~Separate teams are being set up within HRO to pick up isolated properties with access issues, enabling the WHQS team to focus on delivering the programme without affecting performance
- ~An additional in-house team is being established to increase performance on the sheltered contracts
- ~Work programmed for Keepmoat will reduce significantly in 2019/20 therefore options being considered to allocate additional work to assist with performance
- ~Surveys for both internal and external works are anticipated to be completed by Dec 2018., and data gathered to date has not identified any major problems which may have a detrimental impact on performance

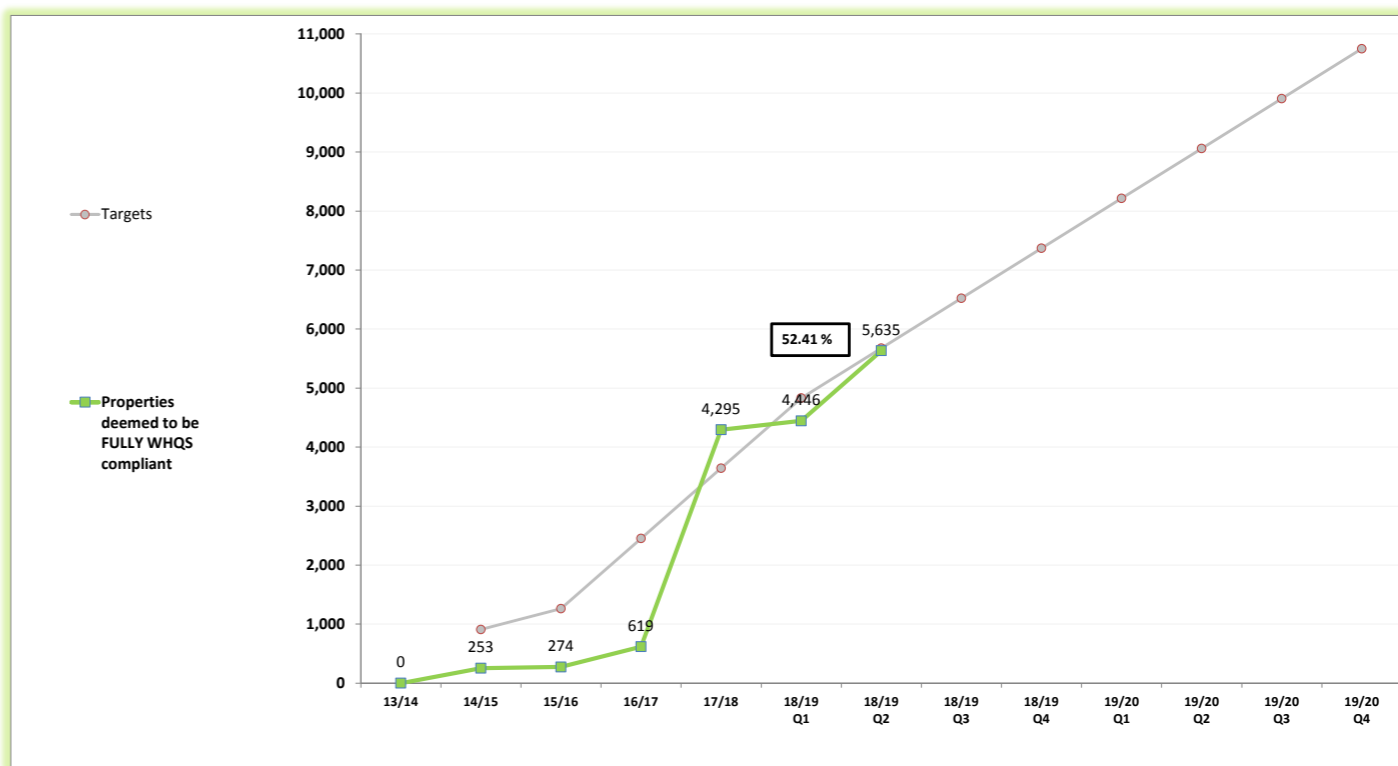
The charts above, have been based on properties surveyed, improvement works undertaken, post-works inspections and portfolio updates, focusing on the following WHQS components:

Internal Works : 4 main elements - Kitchens, Bathrooms, Heating & Electrics.

External Works : 10 main elements - Boundary walls, Doors, Drainage works, Fences/Railings/Gates, Curtilage works, Paths/Drives, Roofs, Stores/Sheds/Outbuildings, Windows & property skin

Other specialist works/improvements are also undertaken in conjunction with the WHQS Programme, such as Adaptations to meet the specific needs of the tenants

WHQS - Properties fully compliant (total stock)



Internal Forecast Data

Current Compliance			8640	
Compliance since April 20	862 Properties for	31 weeks	27.81	
2018 - 2019 remaining	19 weeks @	27.81 properties per week	528.32	19
2019 - 2020 remaining	50 weeks @	27.81 properties per week	1390.32	50
Total projected compliance on current stock			10558.65	
Stock Number			10749	
Projected over run			190.35	
	190.35 divided by	27.81 properties per week	7	Weeks Over
Full compliance projected to be achieved by		15th May 2020		

Appendix 6

External Forecast Data (Without Leaseholders)

Current Compliance	6650.62
Compliance since April 2018 = 1700.17 properties for 30 weeks	56.67
2018 - 2019 remaining 20 weeks @ 56.67 properties per week	1133.45
2019 - 2020 remaining 50 weeks @ 56.67 properties per week	2833.61
Total projected compliance on current stock	10617.68
Stock Number	10749
Projected over run	131.32
131.32 / 56.67 properties per week	2 Weeks Over
Full compliance projected to be achieved by	10th April 2020

External Forecast Data (With Leaseholders)

Current Compliance	6798.55
Compliance since April 2018 = 1783.55 properties for 30 weeks	59.45
2018 - 2019 remaining 20 weeks @ 59.45 properties per week	1189.03
2019 - 2020 remaining 50 weeks @ 59.45 properties per week	2972.58
Total projected compliance on current stock	10960.17
Stock Number	11161
Projected over run	200.83
200.83 / 59.45 properties per week	3 Weeks Over
Full compliance projected to be achieved by	17th April 2020

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POLICY AND RESOURCES SCRUTINY COMMITTEE – 15TH JANUARY 2019

SUBJECT: UPDATE ON RESERVES

REPORT BY: CORPORATE DIRECTOR EDUCATION AND CORPORATE SERVICES

1. PURPOSE OF REPORT

- 1.1 To present the Scrutiny Committee with details of the usable reserves held by the Authority.
- 1.2 To present details of proposals for the use of reserves prior to consideration by Cabinet.

2. SUMMARY

- 2.1 The report provides details of the usable reserves held by the Authority as at the 1st April 2018 totalling £109.796m.
- 2.2 The report also includes proposals for the use of Service reserves in respect of the Directorate for Education and Corporate services, along with a proposed release of reserves for one off spend. The Scrutiny Committee is asked to consider these proposals prior to the proposals being presented to Cabinet.
- 2.3 Members are reminded that reserves can only be used once. The use of reserves would typically include capital expenditure, contingent sums for potential unforeseen liabilities i.e. BREXIT and Invest to Save.

3. LINKS TO STRATEGY

- 3.1 Ensuring that adequate General Fund balances are maintained to meet any unforeseen expenditure and the establishment of specific reserves to meet known future financial commitments are key elements of prudent financial management.
- 3.2 Prudent financial management contributes to the following Well-being Goals within the Well-being of Future Generations Act (Wales) 2015:-
 - A prosperous Wales.
 - A resilient Wales.
 - A healthier Wales.
 - A more equal Wales.
 - A Wales of cohesive communities.
 - A Wales of vibrant culture and thriving Welsh Language.
 - A globally responsible Wales.

4. THE REPORT

4.1 Appendix 1 provides details of the Authority's usable reserves as at the 1st April 2018 totalling £109.796m. Members are asked to note that this reserve is £10.8m lower than the previous year. The following paragraphs provide a detailed commentary on the balances held.

4.2 General Fund

4.2.1 The opening balance on the General Fund as at the 1st April 2018 was £13.2m. After adjusting for 2018/19 in-year use of General Fund balances the projected position as at the 31st March 2019 is a balance of £10m. This is summarised in the table below: -

	£m	£m
General Fund Opening Balance as at 01/04/18		13.200
In-Year Use of General Fund Balance: -		
- 2017/18 Council Tax Surplus to Support 2018/19 Budget (Special Council 22/02/18)	(1.400)	
- MTFP savings delivery fund (Cabinet 27/06/2018) (Council 31 st July 2018)	(1.800)	
		(3.200)
Projected General Fund Balance as at 31/03/19		10.000

4.2.2 In line with the Council's Reserves Strategy the Section 151 Officer provides advice on the appropriate level of the General Fund Reserve annually as part of the budget setting process and this is subject to approval by Cabinet and Full Council. Typically, the Section 151 Officer has recommended in previous budget reports to Council that the minimum balance on the General Fund Reserve should be £10m i.e. circa 3% of the Council's net revenue budget. The 2019/20 budget report will be presented to Council on the 21st February 2019 and this will include recommendations on the use of the General Fund balance.

4.3 Housing Revenue Account (HRA)

4.3.1 HRA funds must be ring-fenced and cannot be transferred into General Fund balances. The balance on the HRA usable reserves as at the 1st April 2018 was £5.090m. Most of this funding will be utilised for the Welsh Housing Quality Standard (WHQS) Capital Programme.

4.4 Capital Reserves

4.4.1 The total capital reserves of £39.808m as at the 1st April 2018 are ring-fenced for the Authority's Capital Programme. These reserves have been subject to a detailed review over the last six months and the outcome of this review has identified that there are £16.2m of reserves that are not allocated to any capital schemes. During the next few months Cabinet will need to be presented options to consider in respect of capital schemes that they wish to support financially. Scrutiny committees are able to discuss these reports, if they so wish, prior to Cabinet approval as they should be included in the Cabinet forward work programme.

4.5 Corporate Services

4.5.1 The balance on Corporate Services reserves as at the 1st April 2018 totalled £31.605m. The following table provides details of individual balances and the purpose of the reserves. Where funds are proposed for release they are highlighted as bold:-

Reserve	Amount £m	Description
Trehir Reserve	0.585	Required for potential works on former landfill site. It has been established that £350k can be released from this reserve.
Invest to Save Reserve	0.431	To provide repayable one-off financial support for service initiatives that deliver cashable savings. £250k of this balance is currently committed to purchase a Velocity Patcher for carriageway resurfacing works (agreed by Cabinet on the 1 st October 2014).
Insurance Earmarked Reserve	5.935	Self-insurance facility. The Authority's insurance excess is £250k. All claims below this level are funded through the insurance earmarked reserve.
Risk Management Reserve	0.564	To support risk management initiatives that mitigate insurance claims. Annual contributions to this reserve from Directorate revenue budgets have been reduced from 2016/17 onwards as part of approved savings to support the MTFP.
Corporate Property Service Initiatives Reserve	0.157	To support Corporate building schemes.
Electoral Admin Reserve	0.276	Cumulative balance on funding set aside annually for local elections.
Health & Safety Initiatives	0.262	To meet unavoidable cost pressures in Council establishments.
PC Replacement Reserve	0.797	This reserve funds the ongoing replacement of essential IT hardware and software across the Authority.
Private Finance Initiative (PFI) Equalisation Reserves	11.140	Committed to funding approved PFI Schemes.
Corporate Services Service Initiatives Reserves	9.767	<ul style="list-style-type: none"> • Care-line (£245k) – Retained underspends on the Care First budget. • Counsel Fees (£608k) – Retained underspends on the Counsel Fees revenue budget. • Council Tax Reduction Scheme (£3.367m) – Retained underspends on the CTRS budget. The Welsh Government has currently only committed to a fully funded scheme until the end of 2019/20. It is considered that £3m can be released from this reserve. • Apprenticeship Scheme (£852k) – Committed to ongoing apprenticeships (£530k) and for match-funding the ESF Inspire to Work project. (£322k). • Member Services (£606k) – Ring-fenced retained underspends on the Member Services budget. It has been established that £506k can be released from this reserve.

		<ul style="list-style-type: none"> • Voluntary Sector Grants (£141k) – Retained underspends on the Grants to the Voluntary Sector budget. This budget is monitored by Members on the Grants to the Voluntary Sector Panel. • Municipal Mutual Insurance (MMI) Levy (£425k) – Funding set aside to meet future liabilities arising from the MMI Scheme of Arrangement. • Senior Officer Investigation (£220k) – Previously approved funding in respect of the ongoing investigation. • Replacement of IDOX Document Management System for Council Tax/Housing Benefits (£150k). • Contingency for one-off cost of MTFP staffing reductions (£381k). • Contingency for cost pressures in Waste Management (£800k). • Cwmcarn High Funding Deficit - funding set aside to meet the anticipated financial deficit that will remain following the closure of Cwmcarn High School.(£1.4m) • 2Yr fixed term grade 6 post HR (Sickness Absence Monitoring)(£60k) • 1yr Fixed Term Post Grade 7 in Corp Property (Electrician)(£35K) • 1yr Fixed Term Post Grade 10 in Corp Property (Land Sales)(£48K) • General Ledger Upgrade - funding of upgrade in 2018-19 to v5.5.(£189K) • AP Forensics Software (Fraud Monitoring) - Renewal of three year software licence to 2021.(£34K) • Income Management System Upgrade - cost of introducing new cash income system supplied by Capita in 2018-19.(£101K) • Access Rights Management Solutions (To aid GDPR)(£80K) • Welsh Community Care Information System (WCCIS) maintenance. (£25K)
Salix Finance	0.289	To support energy saving initiatives.
Retained Underspends Reserves	1.402	Accumulated service underspends. It has been established that £500k can be released for 21st Century Band B match funding.
Total: -	31.605	

4.5.2 Members will note from the above that £1.402m is held in 'Retained Underspends Reserves'. Cabinet has previously agreed a policy whereby service areas retain 50% of reported underspends at the financial year-end. Conversely, any service based overspends are carried forward by the service areas responsible for generating the overspends. This approach has worked well as there is full ownership and accountability by budget holders in respect of delivering a balanced budget. At its meeting on the 27th July 2016, Cabinet agreed a Reserves Strategy which included the introduction of a cap on the cumulative amount that can be held by Directorates in service underspend reserves. This will be covered in more detail in section 4.9 of this report.

4.6 Communities

4.6.1 The balance on Communities reserves as at the 1st April 2018 totalled £4.679m. The following table provides details of individual balances and the purpose of the reserves:-

Reserve	Amount £m	Description
DLO Surplus/Deficit	0.371	Retained cash surplus for Network Contracting Services (NCS) work arising from the Sirhowy Enterprise Way PFI contract.
Planning - Community Infrastructure Levy	0.533	Revenue generated from the Community Infrastructure Levy.
Planning - LDP Related Expenditure	0.131	Ring-fenced reserve for completion of a new CCBC Local Development Plan.
Highways – Service Specific Reserve.	0.500	Ring-fenced winter maintenance reserve.
Community Regeneration Fund	0.141	Approved grants to be drawn down.
Economic Development – Service Initiative Reserve.	0.027	£2k relates to footfall counters and £25k is ring-fenced for capital works to the Hafod Deg building.
Area Forum Reserve	0.044	This is being utilised to support agreed MTFP savings in this area.
Cemeteries Reserve	1.141	Funds set-aside to meet the capital cost of future land acquisition for Cemeteries and the development of that land..
General Fund Housing Service Initiatives Reserve	0.460	<ul style="list-style-type: none"> • Renewal Fund for future building costs at Ty Croeso single persons' accommodation (£141k). • Renewal fund for the replacement of white goods and internal decoration at Ty Fesen family accommodation (£180k). • Shortfall in Shelter contract payments for 2017/18 to 2019/20 (£41k). • Homelessness prevention (£98k).
Communities - Service Specific	0.300	Project Development Fund - fund created to develop City Deal projects to stimulate economic development in the area.
Retained Underspends Reserves	1.031	Accumulated service underspends. (Includes General Fund Housing of £758k)
Total: -	4.679	

4.7 Education & Lifelong Learning

4.7.1 The balance on Education & Lifelong Learning reserves as at the 1st April 2018 totalled £8.419m. The following table provides details of individual balances and the purpose of the reserves:-

Reserve	Amount £m	Description
Service Initiatives Reserve	1.726	<ul style="list-style-type: none"> • ESF Bridges into Work (£537k) – Match-funding contribution (agreed by Cabinet 27/07/15). • ESF Working Skills for Adults (£267k) - Match-funding contribution (agreed by Cabinet 27/07/15). • Voluntary Early Release (VER) costs (£553k) – Required to meet ongoing liabilities in schools. • Fire Safety (£14k) – Earmarked reserve to fund fire alarm upgrades. • Transport Equalisation Account (£23k) • Inspire to Work (£22k) • Contribution to Grade 9 Fire Officer (£23k) • Traffic Calming Islwyn High. (£1k) • School Condition Surveys. (£74k) • Budget Pressures - Behaviour & Mental Health (£173k) • Relief Supply Equalisation Account. (£39k)
Schools PFI Earmarked Reserves	1.004	Contingent sum for unforeseen cost pressures for 2 PFI schools.
School Balances	2.039	Net overall retained underspends ring-fenced to schools.
Local Management of Schools (LMS) Contingency.	2.731	Accumulated underspends on LMS revenue budget. This reserve is maintained to support potential redundancy costs in schools, statutory maintenance costs and other unforeseen unavoidable cost pressures. It has been established that £500k can be released to support 21 st Century schools Band B match funding.
Accumulated Service Underspends	0.919	As per agreed policy (see paragraph 4.5.2).It has been established that £500k can be released for 21 st Century schools Band B match funding.
Total: -	8.419	

4.8 Social Services

4.8.1 The balance on Social Services reserves as at the 1st April 2018 totalled £6.995m. The following table provides details of individual balances and the purpose of the reserves:-

Reserve	Amount £m	Description
Community Activities Reserve	0.069	To support trading activities in Day Centres.
Service Initiatives Reserve	1.686	<ul style="list-style-type: none"> • Therapeutic Fostering Service (£624k). Approved by Cabinet 13/04/16. • Operation Jasmine (£109k). • Finance IT System (£26k) – Required to deal with any unforeseen costs arising from the implementation of the Welsh Community Care Information System (WCCIS). • Gwent Frailty Programme (£200k) – To meet future Invest to Save loan repayments to the Welsh Government. • Gwent Safeguarding Partnership (£280k) – Contribution to partnership to 2018/19. • Children Services Pressures. (£158k) • Legal Administration re. Children Services Pressures. (£20k) • Invest to save trials. (£251k) • Solicitor Post. (£18k)
Reserves Held for Partnerships	3.365	Reserves held on behalf of partnerships led by Caerphilly CBC: - <ul style="list-style-type: none"> • North Resource Centre (£50k). • SE Wales Shared Lives Scheme (£175k). • Youth Offending Service (£609k). • SE Wales Safeguarding Children Board (£299k). • SE Wales Emergency Duty Team (£51k Deficit). • Gwent Frailty Programme (£2.283m).
Accumulated Service Underspends	1.875	As per agreed policy (see paragraph 4.5.2)
Total: -	6.995	

4.9 Cap on Retained Underspend Reserves

4.9.1 As mentioned in paragraph 4.5.2, at its meeting on the 27th July 2016 Cabinet agreed a Reserves Strategy which included the introduction of a cap on the cumulative amount that can be held by Directorates in service underspend reserves. This cap is set at 3% of the net revenue budget for each Directorate and where this is exceeded then proposals must be presented to utilise the excess or a justification must be made to hold the reserves above the 3% level. The following table summarises the 2018/19 net budget for each Directorate, the balance on underspend reserves as at the 1st April 2018 and whether the cap has been exceeded:-

Directorate	2018/19 Net Budget £m	Reserve Balance £m	3% Cap £m	Excess Above Cap £m
Corporate Services	21.262	1.402	0.638	0.764
Communities	44.423	1.031	1.333	-
Education & Lifelong Learning	32.994	0.919	0.990	-
Social Services	89.262	1.875	2.678	-

4.9.2 The following table summarises proposals to utilise or retain the excess accumulated underspend reserves for Corporate Services: -

Directorate/Proposal	£m
1) Corporate Services Excess	0.764
Proposals: -	
- Support Capital Programme 21st Century Band B match funding	(0.500)
- Post 16/Single Sex Review Resourcing	(0.064)
- Digital Strategy Implementation	(0.100)
- Caerphilly 2022 Leadership training and Development	(0.100)
	0.764

5. WELL-BEING OF FUTURE GENERATIONS

5.1 The establishment and management of reserves are key elements of effective financial management which assists the achievement of the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015.

6. EQUALITIES IMPLICATIONS

6.1 An EIA screening has been completed in accordance with the Council's Strategic Equality Plan and supplementary guidance. No potential for unlawful discrimination and/or low level or minor negative impact has been identified regarding this report; therefore a full EIA has not been carried out.

7. FINANCIAL IMPLICATIONS

7.1 As detailed throughout the report.

8. PERSONNEL IMPLICATIONS

8.1 There are no direct personnel implications arising from this report.

9. CONSULTATIONS

9.1 There are no consultation responses that have not been reflected in this report.

10. RECOMMENDATIONS

10.1 Members of the Scrutiny Committee are asked to:-

- 10.1.1 Note the content of the report.
- 10.1.2 Support a recommendation to Cabinet that accumulated underspend reserves above the 3% cap for Corporate Services and Education & Lifelong Learning be utilised as detailed in the table in paragraph 4.9.2 of this report.
- 10.1.3 Support a recommendation to Cabinet that specific reserves relating to the Directorate of Education and Corporate services totalling £1.5m be released and allocated towards 21st Century Schools Band B match funding.
- 10.1.4 Support a recommendation to Cabinet that funding totalling £20.08m(Capital reserves £16.227m,CTRS £3m,Treher reserve £350k,Members reserve £506k) is released from various reserves detailed throughout the report and set aside in the balance sheet for one off expenditure.

11. REASONS FOR THE RECOMMENDATIONS

- 11.1 To ensure that the Scrutiny Committee is provided with details of the usable reserves held by the Authority and is able to consider specific proposals to Cabinet.

12. STATUTORY POWER

- 12.1 The Local Government Acts 1998 and 2003.

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Consultees: Corporate Management Team
Andrew Southcombe, Finance Manager, Corporate Finance
Dave Roberts, Principal Group Accountant, Corporate Services
Mike Eedy, Finance Manager, Environment
Jane Southcombe, Finance Manager, Education & Lifelong Learning
Mike Jones, Interim Financial Services Manager, Social Services
Lesley Allen, Principal Accountant, Housing
Steve Harris, Interim Head of Business Improvement services
Rob Tranter Head of Legal services and Monitoring Officer
Cllr David Poole, Leader
Cllr Barbara Jones, Deputy Leader & Cabinet Member for Finance, Performance and Governance

Background Papers:
Cabinet (27/07/16) – Reserves Strategy
Special Council 31st July 2018 –Financial Accounts 2017/18

Appendices:
Appendix 1 List of Usable Reserves

List of Usable ReservesAppendix 1

Directorate / Service Area	Description	Opening Balance 1.4.2017	Opening Balance 1.4.2018	Earmarked For Potential One Off Funding of Capital Schemes
1 General Fund				
Corporate	General Fund	-17,832,917	-13,199,563	0
Total General Fund		-17,832,917	-13,199,563	0
2 Housing Revenue Account				
Housing Revenue Account	Various	-16,821,209	-5,089,887	
Total HRA		-16,821,209	-5,089,887	0
3 Capital Reserves				
Capital Earmarked Reserves	Various	-16,357,993	-22,135,481	12,226,452
Useable Capital Receipts	Various	-11,538,476	-8,523,024	2,849,235
Capital Grants Unapplied	Various	-9,812,874	-9,149,391	1,151,363
Total Capital Reserves		-37,709,344	-39,807,896	16,227,050
4 Corporate Services				
Corporate	TREHIR RESERVE	-584,549	-584,549	350,000
Corporate - Capital	RESERVE - INVEST TO SAVE	-271,829	-430,936	
Insurance Fund	INSURANCE EARMARKED RESERVE	-5,903,893	-5,935,367	
Insurance Fund	RISK MANAGEMENT RESERVE	-690,285	-563,980	
Property Services	SERVICE INITIATIVES RESERVE	-157,392	-157,392	
Corporate Services	ELECTORAL ADMIN RESERVES	-460,999	-276,144	
Corporate Services	HEALTH & SAFETY INITIATIVES	-262,606	-262,606	
Corporate Services	CORPORATE PC REPLACEMENT RESER	-1,080,668	-797,407	
Corporate Services	SEW PFI EQUALISATION RESERVE	-2,266,095	-1,880,206	
Corporate Services	EDUC PFI EQUALISATION RESERVE	-9,634,173	-9,259,726	
Corporate	SERVICE INITIATIVES RESERVE	-1,609,218	-2,844,240	
Corporate Services	SERVICE INITIATIVES RESERVE	-5,128,875	-6,921,650	3,506,000
Property - Capital	SALEX FINANCE	-223,963.03	-288,892.10	
Property Services - Building Consultancy	RESER - UNDER/ OVER SPEND C/F	-54,203	-54,203	
Corporate Services	RESER - UNDER/ OVER SPEND C/F	-1,303,896	-1,347,599	500,000
Total Corporate Services		-29,632,644	-31,604,898	4,356,000

5 Communities

Infrastructure	DLO SURPLUS / DEFICIT C/F	-300,750	-370,975	
Planning	COMMUNITY INFRASTRUCTURE LEVY	-251,143	-533,173	
Planning	SERVICE INITIATIVES RESERVE	-130,527	-130,527	
Infrastructure	SERVICE INITIATIVES RESERVE	-500,000	-500,000	
Economic Development and Tourism	RESERVE - COMMUNITY REGEN FUND	-135,693	-141,611	
Economic Development and Tourism	SERVICE INITIATIVES RESERVE	-12,835	-26,542	
Planning	RESERVE - AREA FORUM	-70,499	-44,085	
Community and Leisure Services	RESERVES - CEMETERIES	-932,453	-1,141,020	
General Fund Housing	SERVICE INITIATIVES RESERVE	-329,208	-460,107	
Communities Directorate	SERVICE INITIATIVES RESERVE	0	-300,000	
Communities Directorate	RESER - UNDER/ OVER SPEND C/F	-339,012	-688,367	
Economic Development and Tourism	RESER - UNDER/ OVER SPEND C/F	-4,152	-198	
General Fund Housing	RESER - UNDER/ OVER SPEND C/F	-162,760	-195,824	
Private Housing	RESER - UNDER/ OVER SPEND C/F	-115,950	-102,235	
Trading Standards	RESER - UNDER/ OVER SPEND C/F	-31,011	-31,011	
Environmental Health	RESER - UNDER/ OVER SPEND C/F	-13,720	-13,720	
Total Communities		-3,329,712	-4,679,395	0

6 Education & Lifelong Learning

Education and Lifelong Learning	SERVICE INITIATIVES RESERVE	-1,055,595	-1,725,825	
Education and Lifelong Learning	PFI SCHOOLS EARMARKED RESERVES	-869,921	-1,004,683	
Schools	RESERVES - DELEGATED SCHOOLS	-2,331,965	-2,038,810	
Education and Lifelong Learning	RESERVES LMS EARMARKED	-2,657,113	-2,731,165	500,000
Education and Lifelong Learning	RESER - UNDER/ OVER SPEND C/F	-1,369,571	-918,866	500,000
Total Education and Lifelong Learning		-8,284,164	-8,419,349	1,000,000

7 Social Services

Social Services	RESER - SOC SERV COMM ACTIVI	-65,858	-68,621	
Social Services	SERVICE INITIATIVES RESERVE	-1,906,344	-1,686,129	
Social Services	RESERVES HELD FOR PARTNERSHIPS	-2,121,413	-3,365,471	
Social Services	RESER - UNDER/ OVER SPEND C/F	-2,872,587	-1,875,152	
Total Social Services		-6,966,202	-6,995,373	0

Grand Total		-120,576,193	-109,796,360	21,583,050
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