



## **POLICY AND RESOURCES SCRUTINY COMMITTEE**

### **MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH ON WEDNESDAY, 24TH JULY 2013 AT 5.00 P.M.**

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**PRESENT:**

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

**Councillors:**

L. Binding, D.G. Carter, C.J. Cuss, C. Hawker, Ms. J.G. Jones, G. Kirby, A. Lewis, S. Morgan,  
D. Rees and R. Saralis

Cabinet Member for Housing - Councillor G. Jones  
Cabinet Member for Corporate Services - Councillor K.V. Reynolds

**Together with:**

G. Hardacre (Head of Human Resources and Organisation Development), S. Couzens (Head of Housing Services), S. Harris (Acting Head of Corporate Finance), A. Veronese (Programme Manager Welfare Reform/E -Gov Team Leader), D. Morris (Principal Procurement Officer), N. Akhtar (Group Accountant), J. Jones (Democratic Services Manager), E. Sullivan (Democratic Services Officer).

**Also Present:**

Councillor J.A. Pritchard  
Cabinet Member for Highways, Transportation and Engineering - Councillor T. Williams

Mr R. Davies - Caerphilly and District Against The Bedroom Tax

### **APOLOGIES**

Apologies for absence were received from Councillors Mrs D. Ellis, J.E. Fussell and C.P. Mann.

### **1. DECLARATIONS OF INTEREST**

There were no declarations of interest made at the beginning or during the meeting.

**2. MINUTES**

RESOLVED that the minutes of the last meeting held on 4th June 2013 (minute nos. 1 - 10, on page nos. 1 - 5) be approved as a correct record and signed by the Chairman.

**3. CALL-IN PROCEDURE**

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

**4. CABINET REPORTS**

The Cabinet reports listed on the agenda had not been requested to be brought forward for review at the meeting.

**5. REPORT OF THE CABINET MEMBERS**

Councillor K.V. Reynolds, Cabinet Member for Corporate Services provided a verbal report that updated Members on the Medium Term Financial Plan and the impact of the comprehensive spending review on public services. The Cabinet Member confirmed there would be difficult times ahead and a great deal of financial uncertainty going forward. He summarised a letter received from Lesley Griffiths, Welsh Minister for Local Government, which detailed the impact on the funding share going forward and the subsequent reductions that could be imposed upon local government. Members were advised that council tax increases would need to be revisited as a result and the projected saving targets, based on the revised figures, could see them rise from £6.5m to between £13m -£20m for 2013/2014 - 2015/2016. Further detail was awaited from Welsh Government but given the projected financial picture all local authorities would be facing some very serious financial constraints. Members were advised that a forthcoming seminar on the Medium Term Financial Plan would provide further information.

The Cabinet Member provided an update in relation to correspondence with Welsh Government on the de-hypothecating of specific grants and discussions around departmental budgets were outlined. In terms of the Council Tax Reduction Scheme although early indications gave the impression that some support would be made available, the extent had yet to be confirmed by Welsh Government.

The Cabinet Member cautioned the Committee that this and every other administration would be facing challenging times ahead and some difficult choices would need to be made but assured them that this Council would continue to make the safeguarding of jobs a priority and avoid compulsory redundancy for as long as possible. Members were reminded of the forthcoming seminar on the Medium Term Financial Plan and urged them to make every effort to attend.

The Chair thanked the Cabinet Member for his statement and full discussion ensued.

**SCRUTINY REPORTS**

Consideration was given to the following reports.

## 6. NOTICE OF MOTION - BEDROOM TAX

The Scrutiny Committee received a petition on behalf of Caerphilly and District Against the Bedroom Tax.

The report advised Members of the Notice of Motion received by the Council's Interim Monitoring Officer from Councillors C. Mann, J.A. Pritchard, K. Lloyd, L. Ackerman, P.J. Bevan, C. Elsbury, J. Taylor and A. Angel.

Councillor J.A. Pritchard introduced the notice of motion that requested:

“that this Council express its serious concern regarding the impact of Welfare Reform measures on people of the Caerffili County Borough.

Specifically the Council is concerned that measures to reduce housing benefit for tenants of local authorities introduced last April have not taken into account the acute shortage of one-bedroom homes. The fact that down-sizing will not be a realistic option for most tenants will mean significant hardship for tenants and increase the risk of homelessness.

The council is further concerned that these measures may have an adverse impact on council and housing association landlords' rental income and their ability to invest in improving their own stock and in building new, affordable homes.”

The Councillors asked in their notice of motion that the Council agrees:

- (a) “that where the appropriate officers are satisfied that tenants who are subject to the under-occupancy charge have done all they reasonably could to avoid falling into arrears, then all legitimate means to collect rent arrears should be utilised except eviction and the use of bailiffs”
- (b) “to establish a joint working group that will include elected members, officers from Housing and Revenues and Benefits, Registered Social Landlords and tenants representatives. The role of the working group shall be to monitor the implementation and impact of various benefits changes and to contribute to consideration of further measure to support tenants, including examples as mentioned below”
- (c) “to support calls by local campaign groups to scrap the bedroom tax”
- (d) “to support appeals – extend the deadline for appeals and give clear information on how to appeal”
- (e) “not to prevent tenants moving to smaller properties because of bedroom tax arrears”
- (f) “not to force people to move from homes and out of communities where they have lived for many years”
- (g) “to increase provision of smaller units of housing, especially in areas most affected by the bedroom tax, by reclassifying properties or other means”

Councillor Pritchard highlighted the main areas of concern and sought the urgent establishment of a joint working party or task and finish group in order to fully investigate and mitigate the impact of the Welfare Reform Act on the people of Caerphilly County Borough Council. That these investigations centre on the reclassification of properties and the adoption of a no-eviction policy for any tenant that falls into arrears as a direct consequence of the bedroom tax. Members were informed that Cardiff Council had already pledged an investigation and established a working party in this regard.

Councillor Gerald Jones, Cabinet Member for Housing and Mr Shaun Couzens, Head of Housing Services were invited to respond.

Councillor Jones responded to each of the points raised and thanked Officers for all their hard work behind the scenes in the lead up to the implementation of the act. Over 800 tenants had received support, help and advice from a dedicated team of Officers.

Members were advised that there were several working groups and committees already in existence and given its membership and remit recommended the Caerphilly Homes Task Group as the appropriate forum to take any investigations forward. Given the universal lack of support for the Welfare Reform Act the Cabinet Member was confident any calls for support would be responded to accordingly, however he reminded Members of the need to act legally and responsibly towards the legislation.

The difficulties in identifying a single reason for a person's debt were detailed and the need to ensure fairness to all tenant groups was emphasised. The legal challenge implications of implementing a 'no eviction' policy for just the 'spare room' policy were noted and Members were asked to consider those people who had seen their housing benefit reduced, the recently unemployed or those in low paid jobs who would also be at risk of eviction but would not be afforded the same protection.

In terms of reclassification, the legal and financial constraints were outlined and recent advice received from Welsh Government was referenced. The possible impact on the WHQS programme going forward was also noted. Officers confirmed that redevelopment plans had been reviewed in order to incorporate smaller properties and a successful funding bid had been secured in this regard.

Mr Roy Davies of Caerphilly and District Against The Bedroom Tax was invited to present his evidence to the Scrutiny Committee.

Mr Davies referenced the investigations being undertaken by other authorities and urged this Council to engage with core partners and take an inquiry into the issues of reclassification and non-eviction forward.

The Chair thanked all those that had presented evidence for their contribution to the meeting and full discussion ensued.

Members fully discussed the merits of establishing a separate Task and Finish Group and the role and membership of the Caerphilly Homes Task Group was noted. Members were also mindful of the need to act responsibly in relation to the WHQS programme. It was agreed that further information was needed on the position of Cardiff Council in order to avoid any duplication of effort. Members fully discussed reclassification and non-eviction and concerns were expressed with regard to the associated legal and financial implications as well as the necessity of ensuring fairness to all tenants.

An amendment to the notice of motion was proposed and seconded. By a show of hands the amendment was carried. A second vote was undertaken on the amended motion and by a show of hands was carried.

RESOLVED that paragraphs A to G be deleted and then replaced with the following recommendation to full Council:

'to write to the Secretary of State for Work and Pensions and Communities and Local Government setting out this Council's opposition to the Bedroom Tax and highlighting the negative impact of their Government's Welfare Reform Measures on many residents of Caerphilly County Borough Council'.

It was proposed and seconded that in addition to the notice of motion the Caerphilly Homes Task Group meet (inviting other RSL's) as a matter of urgency in order to investigate the progress made by other authorities (particularly Cardiff) to mitigate the impact of the Bedroom Tax, as well as the legal, financial and equalities implications of implementing a no-eviction and reclassification policy and a report be presented back to this committee prior to its recommendation to Council and by a show of hands with was unanimously agreed.

## **7. WELFARE REFORM PROGRAMME UPDATE**

The report informed Members of the progress of the Welfare Reform Programme in order to ensure that the Local Authority and its residents were adequately prepared for the impact of the Welfare Reform Act and the Council Tax Reduction Scheme.

The different work streams were detailed and the initiatives undertaken to raise awareness amongst residents and prepare frontline staff were noted.

The timeline for benefit changes was highlighted in Appendix 1 and an analysis of Caerphilly's position was detailed in Appendix 2 of the report.

The Chair thanked the Officer for her report and full discussion ensued.

Clarification was sought as to the level of support provided to tenants on financial management and budgeting. The Officers confirmed that anyone experiencing difficulties was referred or signposted to the Citizens Advice Bureau who provided independent financial advice.

A Member thanked the Officer for the data and commended the team for the work to date. With reference to the data provided in the appendix he requested that if possible these figures be broken down by Ward and distributed to Members. The Officer confirmed that this could be done, however she advised Members that any figures quoted would differ depending on the point in time they refer to, due to changing circumstances of tenants.

The Scrutiny Committee having fully considered its content noted the report.

## **8. FUTURE OF WELSH PURCHASING CONSORTIUM**

The report updated Members on the current status of the Welsh Purchasing Consortium and sought approval to remain a Member of the Consortium for the next three years until 31st March 2016.

The Welsh Purchasing Consortium (WPC) provided a collaborative hub for procuring common and repetitive spend commodity areas. The impact of the National Procurement Service was detailed and Members were advised that this service would accommodate 20% of the overall Local Government spend with 80% to be managed locally or via collaborative hubs such as the WPC.

The cost of membership was confirmed and Members were advised that since its establishment the WPC realised cashable savings of £776,828 and non-cashable savings of £648,341.

The Chair thanked the Officer for his report and fully discussion ensued.

Clarification was sought as to the difference between Associate and Full Member and this was explained.

Having fully considered the issues involved, the recommendations detailed in section 7.1 and 7.2 of the report were moved and seconded and by a show of hand unanimously agreed.

RESOLVED that the report be noted and recommended that Cabinet approve the recommendation to remain a member of the Welsh Purchasing Consortium for the next 3 years up to the 31st March 2016, with an annual contribution fee of £13,500.00.

Subject to Cabinet's approval of the above, that Caerphilly County Borough Council participate in a formal review of the Welsh Purchasing Consortium organisation as per the report detailed in Appendix A to ensure the Consortium remains a fit for purpose organisation.

## **9. CORPORATE SERVICES AND MISCELLANEOUS FINANCE REVENUE BUDGETS 2013/2014**

The report detailed the 2013/2014 revenue budget for Corporate Services and Miscellaneous Finance.

The 2013/14 budget for Corporate Services was confirmed as £25.57m an increase of £1.75m on the revised budget for 2012/13. The budget included an uplift of 1% (£213K) for pay and 1.5% (67K) for non-pay inflation. Additional funding of £500k had been allocated to meet the cost of no longer recharging the Housing Revenue Account for certain services and a further funding of £180k has been allocated to meet Welfare Reform implementation costs. The vacancy management saving of £170k for 2013/14 was noted along with the budget virements detailed in the report..

The 2013/14 budget for Miscellaneous Finance was confirmed as £55.67m and increase of £13.32m on the revised budget for 2012/13. Much of this increase was due to the transfer of funding from the Department of Works and Pensions in relation to the Council Tax Reduction Scheme (CTRS). In line with the Council's budget strategy an uplift of 1% has been allocated in respect of pay and 1.5% applied to non-pay budgets, totalling £208k in inflationary uplifts. Funding of £1.21m has been included to meet capital financing costs in relation to Welsh Housing Quality Standard and £484k to support financing requirements for other capital expenditure. This budget includes £3.607m of saving achieved in advance of the 2013/14 year and a reduction of £52k in the Fire Service Levy. Budget virements totally £826k were noted along with reductions in Welsh Government funding of £214k in respect of the Outcome Agreement Grant and Private Finance Initiatives.

The Chair thanked the Officer for his report and full discussed ensued.

Having fully considered its content the Scrutiny Committee noted the report.

## **10. TREASURY MANAGEMENT AND CAPITAL FINANCING PRUDENTIAL INDICATORS OUTTURN REPORT 2012/13**

The report provided details of the Treasury Management activities and Capital Financing together with the related Prudential Indicators for 2012/13.

Members noted the annual strategy for borrowing and Officers confirmed that no new long-term borrowing had been undertaken in 2012/13. The annual strategy for investments was detailed and in terms of short-term investments interest received averaged 0.27%, which earned £213k against a budget estimate of £168k. Members were advised that due to continued uncertainty in the financial markets the Council had made no long-term investments.

The position in terms of the Icelandic Banks was detailed and amounts recovered confirmed. With regard to the Heritable Bank £7.803m had been recovered as at 31st March 2013 against an outstanding claim of £10.097m. For Landsbanki £2.384, had been recovered as at 31st March 2013 against an outstanding claim of £5.07m.

In relation to the prudential indicators Officers confirmed that there were no significant matters to report.

On local issues, Members noted the loan of £300k secured from the Welsh Rugby Union in relation to the development of the Ystrad Mynach sports complex. The loan would be repayable over ten years on an annuity basis at a rate of 1%.

The Chair thanked the Officer for his report and full discussion ensued.

Clarification was sought with regard to the money recovered from the Icelandic Banks and Officers confirmed that this was reinvested in line with the Treasury Management Strategy

The Scrutiny Committee having fully considered its content noted the report.

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

There were no requests received for future agenda items.

**12. INFORMATION ITEMS**

The following reports were received and noted without discussion:

1. Policy and Resources Scrutiny Committee Forward Work Programme;
2. Workforce Information Report;
3. Corporate Services and Miscellaneous Finance Revenue Grants 2013/2014;
4. Update On Welsh Government Proposals - Green Paper On Workforce Matters.

**13. EXEMPT MATTER**

Members considered the public interest test certificate from the Proper Officer and concluded that on balance the public interest in maintaining the exemption outweighed the public interest in disclosing the information and it was.

RESOLVED that in accordance with Section 100A(4) of the Local Government Act 1972 the public be excluded from the remainder of the meeting because of the likely disclosure to them of exempt information as identified in paragraph 14 of Part 4 of Schedule 12A of the Local Government Act 1972.

**14. PLAZA CAFÉ**

The Scrutiny Committee received and noted the report for information without discussion.

The meeting closed at 7:20 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 1st October 2013, they were signed by the Chairman.

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CHAIRMAN