

Pecyn Dogfennau Cyhoeddus

Penallta House,
Tredomen Park,
Ystrad Mynach,
Hengoed CF82 7PG

Tŷ Penallta,
Parc Tredomen,
Ystrad Mynach,
Hengoed CF82 7PG



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Am unrhyw ymholiad yn ymwneud â'r agenda hwn cysylltwch â Charlotte Evans
(Rhif Ffôn: 01443 864210 E-bost: evansca1@caerphilly.gov.uk)

Dyddiad: Dydd Mercher, 25 Ionawr 2017

Annwyl Syr/Fadam,

Bydd cyfarfod **Cabinet** yn cael ei gynnal yn **Ystafell Sirhywi, Tŷ Penallta, Tredomen, Ystrad Mynach ar Dydd Mercher, 1af Chwefror, 2017** am **2.00 pm**. i ystyried materion a gynhwysir yn yr agenda canlynol.

Yr eiddoch yn gywir,

Chris Burns
PRIF WEITHREDWR DROS DRO

A G E N D A

Tudalennau

- 1 I dderbyn ymddiheuriadau am absenoldeb
- 2 Datganiadau o Ddiddordeb.

Atgoffi'r Cynghorwyr a Swyddogion o'u cyfrifoldeb personol i ddatgan unrhyw fuddiannau personol a/neu niweidiol mewn perthynas ag unrhyw eitem o fusnes ar yr agenda hwn yn unol â Deddf Llywodraeth Leol 2000, Cyfansoddiad y Cyngor a'r Cod Ymddygiad ar gyfer Cynghorwyr a Swyddogion.

I gymeradwyo a llofnodi'r cofnodion canlynol:-

- 3 Cynhaliwyd y Cabinet ar 18fed Ionawr 2017.

1 - 8

A greener place Man gwyrddach



I dderbyn ac ystyried yr adroddiad(au) canlynol y mae angen penderfyniadau gweithredol arnynt: -

- | | | |
|---|---|---------|
| 4 | Taliadau Cyfrif Refeniw Tai 2017/2018. | 9 - 18 |
| 5 | Taliadau Claddu ar gyfer Plant (Hyd at ac yn cynnwys 16 oed). | 19 - 24 |

Cylchrediad:

Cynghorwyr

D. Havard, Mrs C. Forehead, N. George, D.T. Hardacre, K. James, Mrs B. A. Jones, D.V. Poole, K.V. Reynolds, T.J. Williams a R. Woodyatt,

A Swyddogion Priodol.



CABINET

MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, TREDOMEN ON WEDNESDAY, 18TH JANUARY 2017 AT 2.00 P.M.

PRESENT

Councillor K. V. Reynolds – Chair

Councillors:

C. Forehead (Human Resources and Governance/Business Manager), D. Havard (Education and Lifelong Learning), K. James (Regeneration, Planning and Sustainable Development), B. Jones (Corporate Services), D.V. Poole (Housing), T. Williams (Highways, Transportation and Engineering) and R. Woodyatt (Social Services).

Together with:

C. Burns (Interim Chief Executive), C. Harry (Corporate Director Communities), N. Scammell (Acting Director of Corporate Services & S151) and D. Street (Corporate Director – Social Services).

Also in Attendance:

J. Elias (Service Manager – ALN), S. Couzens (Chief Housing Officer), S. Harris (Interim Head of Corporate Finance), R. Hartshorn (Head of Public Protection), K. Peters (Corporate Policy Manager), K. Williams (Private Sector Housing Manager), and C. Evans (Committee Services Officer).

1. APOLOGIES FOR ABSENCE

Apologies for absence had been received from Councillors N. George (Community and Leisure Services) and D.T. Hardacre (Performance and Asset Management).

2. DECLARATIONS OF INTEREST

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

3. CABINET – 14TH DECEMBER 2016

RESOLVED that the minutes of the meeting held on 14th December 2016 (minute nos. 1 - 7) be approved and signed as a correct record.

4. FUTURE GENERATIONS ADVISORY PANEL HELD ON 29TH SEPTEMBER 2016.

RESOLVED that the minutes of the Future Generations Advisory Panel held on 29th September 2016 (minute nos. 1 - 5) be noted.

MATTERS ON WHICH EXECUTIVE DECISIONS WERE REQUIRED

5. OUTCOME OF INFORMAL CONSULTATION ON THE PROVISIONS TO BE INCLUDED IN A PUBLIC SPACES PROTECTION ORDER RELATING TO DOG CONTROL.

The report was considered by the Special Health Social Care and Wellbeing Scrutiny Committee on 12th December 2016.

The Head of Public Protection introduced the report which detailed the outcome of the informal consultation on the provisions to be included in a Public Spaces Protection Order (PSPO's) relating to dog control.

Public Spaces Protection Orders (PSPO's) were introduced by the Anti-Social Behaviour, Crime and Policing Act 2014 and can be used to regulate activities, in particular public places to ensure that the law-abiding majority can use and enjoy public spaces safe from anti-social behaviour. As such, they provide an opportunity to enhance the Council's enforcement ability to respond to public opinion regarding dog fouling. This opinion manifested itself through complaints to officers and Members, the Council's Household Survey, and concerns raised through Your Voice process. As a result, an informal consultation was conducted and provided support for action against irresponsible dog owners, even though the majority of responses received were from dog owners themselves. There was strong agreement with the of the proposals put forward, with the exception of excluding dogs from sports pitches where opinion was more divided.

It was noted that a total of 456 questionnaires were completed online, along with a number of additional written responses from individuals and stakeholders. Of the respondents to the survey, 92% identified themselves as residents, and 65% of the respondents were dog owners.

From there survey, there was a greater support for the proposals to enforce the exclusion of dogs from playgrounds/multi-use game areas, dogs on leads in Enclosed Memorial Gardens, Dog Fouling, Carrying an appropriate receptacle, Dogs on Leads by Direction and Additional Requirements for putting dogs on leads at all times in certain areas. However, there was less support for the proposal to Exclude dogs from all council owned marked sports/playing pitches (54% for, 46% against). A number of local sports clubs were in favour of the proposal, however, representations against the proposal were received from older and disabled people due to accessibility and a lack of alternative space.

Members discussed the report and reiterated their own concerns in relation to irresponsible dog ownership within their wards, and across the Borough.

In noting the amended recommendation from the Special Health Social Care and Well-being Scrutiny Committee, Cabinet requested an additional amendment in relation to the provision at paragraph 4.15 of the Scrutiny report, to exclude dogs from all council owned marked sports/playing pitches on a seasonal basis according to use, and that this proposal be omitted from the next stage of the process and be revisited within a 12 month period and once the impact of the other provisions can be established and consideration be given to implementing an awareness raising campaign in relation to sports pitches and responsible dog ownership.

Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that having consideration for the recommendations from Policy and Resources Scrutiny Committee and for the reasons contained in the Officers report and as outlined at the meeting: -

- (i) the following restrictions be included in the draft order, and the statutory order making process (including formal consultation) be commenced: -
- Excluding dogs from enclosed children's play and multi-use game areas;
 - A requirement to place dogs on a lead in all enclosed memorial gardens within the County Borough;
 - A requirement to pick up after their dogs on all public land within the County Borough;
 - A requirement for dog walkers to carry an appropriate receptacle for dealing with the waste that their dog/s produce within the County Borough;
 - A requirement to place a dog on a lead by direction of no more than 2 metres in length when directed to do so by authorised officer, which could include local authority officers, police officers and/or PCSOs.
- (ii) the restriction excluding dogs from all council owned marked sports/playing pitches on a seasonal basis be omitted at this stage of the process, and be reviewed after a period of 12 months and once the impact of the other provisions can be established, and consideration be given to implementing an awareness raising campaign, in relation to sports pitches and responsible dog ownership.

6. PRIVATELY OWNED PROPERTIES AT LANSBURY PARK

The report sought Cabinet approval to deploy funds from the Private Sector Housing Capital Programme, to assist private owners at Lansbury Park to partake in the scheme of External Wall Insulation, planned for council properties during 2016/17 and 2017/18.

The council is currently undertaking a scheme of external wall insulation (EWI) to the council owned properties at Lansbury Park as part of the overall WHQS programme. The scheme for 2016/17 is being undertaken by way of a partnership arrangement with EON Energy, but is currently only planned to tackle properties within council ownership. There are around 700 properties at Lansbury Park of which 526 are in council ownership. The remainder are in private ownership, either owner occupied or privately rented.

Officers, having studied the area, feel that a far more successful outcome, in terms of the physical regeneration of Lansbury Park, would be achieved if private owners also took part in the EWI scheme. Realistically, however, to encourage meaningful participation by private owners it would inevitably warrant the offer of financial assistance in the form of grant aid.

The report outlined the potential to offer support to private owners at Lansbury Park in the form of 75% grant aid and identified a potential funding source to facilitate such an offer.

Cabinet thanked the Officer for the report and discussions ensued. A Member, in noting that there has been recent publicity around the review of the Energy Conservation Grant from the Welsh Government, sought further information on the Council's eligibility. Officers explained that the eligibility criteria is unclear at present, however, should there be an opportunity, bids would be submitted to this grant funding stream.

Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the Officer's report, if Welsh Government funding is not made available as outlined in paragraph 4.12 of the Officers report:

- (i) financial support for those homeowners at Lansbury Park who wish to partake of the CCBC planned External Wall Insulation scheme, be offered in the manner outlined at paragraph 4.11 of the Report;
- (ii) for 2016/17 funding for the initiative be made available from existing Private Sector Housing Capital budgets.
- (iii) for 2017/18 funding be made available from any 2016/17 Private Sector Housing budget underspends, with any additional funding which may prove necessary being deployed from the 2017/18 Private Sector Housing Capital budget.

7. ROWAN PLACE, RHYMNEY – PROPOSED DEMOLITION OF FLATS – BLOCK 65-68

The report sought Cabinet approval to demolish an additional block of flats in Rowan Place, Rhymney in conjunction with the improvement of the physical condition of the estate.

Following the identification of severe damp and external defects to the external fabric of the properties in Rowan Place a major investment programme is currently being undertaken to bring the properties up to the WHQS. Following the demolition of one block of four flats of the remaining 68 Council owned stock, 44 of the properties are 2 bedroom flats comprising 11 blocks. This is a large concentration in a very small area.

Following Cabinet approval to demolish one block of flats to reduce the density of the estate, and in recognition that there remain a large number of two bedroom flats, the report sought approval to demolish a further block due to ongoing low demand in the area, to enhance the environmental aspect of this estate and to achieve financial savings.

Members thanked the Officers for the report and discussion ensued regarding the void issues in Rowan Place. It was noted that there has been extensive work undertaken to improve the overall aesthetics of the estate, and a number of events held, such as fun days, open days and barbeques to raise the profile and encourage further lettings, to no avail.

Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the Officer's report: -

- (i) the proposed demolition of 65-68 Rowan Place and the making of a formal application to Welsh Government for consent to transfer two new leases as outlined in paragraph 4.8 of the report be approved;
- (ii) to avoid further delays as a consequence of migratory bats, Officers pursue options for undertaking the work prior to the end of March 2017;
- (iii) as required by Welsh Government, a report be requested from the District Valuer on the open market value of the two leasehold flats.

8. NEWBRIDGE SCHOOL SPECIALIST RESOURCE BASE

The report was presented to Education for Life Scrutiny Committee on 11th January 2017, at which a further discussion at Scrutiny was requested. As such, Cabinet noted that the Consultation Timeline within the report has been amended, and an updated copy was tabled at the meeting.

A report was presented to the Education for Life Scrutiny Committee on 3rd November 2015 which detailed the progress of the Additional Learning Needs (ALN) Review. Members noted the progress made and that a separate behaviour review would consider arrangements for specialist provision to meet the needs of children with behavioural, emotional and social needs (BESD).

In February 2016 the Governing Body of Newbridge School informed the Local Authority that due to increasing number of pupils on roll it no longer wished to host the Key Stage 3 Specialist Resource Base (SRB), which the school refers to as the Inclusion Centre. The report provided Cabinet with an update on the status of the review of provision for children with BESD and sought approval to commence a consultation on the closure of the SRB at Newbridge School.

Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained the Officer's report, the report be noted and the commencement of the consultation process be approved.

RECOMMENDATIONS TO COUNCIL

9. REVIEW OF MINIMUM REVENUE PROVISION POLICY

The report was presented to the Special Policy and Resources Scrutiny Committee on the 7th December 2016 and provided Members with options for proposed changes to the Council's Minimum Revenue Provision (MRP) policy.

The MRP is the method by which Local Authorities charge their revenue accounts over time with the cost of their capital expenditure that was originally funded by debt. From 2007/8 onwards, Local Authorities have been free to set their own policy on calculating MRP, with the sole legislative proviso being that the amount calculated must be one that the Council considers to be "prudent".

It was noted that many Local Authorities have reviewed their MRP policies to generate significant savings to support their Medium-Term Financial Plans, due to increasing pressures on budgets. In Wales, such reviews have already been undertaken by Torfaen, Merthyr Tydfil, Conwy, Denbighshire, Flintshire, Rhondda Cynon Taff and Monmouthshire Councils.

The 2017/18 Draft Budget Proposals presented to Cabinet on 30th November 2016 included a savings proposal of £3.5m to be achieved through a review of the Council's MRP policy.

The Council's current policy for capital expenditure funded from supported borrowings is for MRP to be charged to revenue at 4% in accordance with the Capital Financing Requirement (CFR) Method on a reducing balance basis. Based on an opening supported borrowing CFR of £175.746m as at the 1st April 2016, the 2016/17 MRP charge for supported borrowings is £7.030m.

The Council currently adopts the Asset Life approach using the Equal Instalment Method for capital expenditure funded by unsupported (prudential) borrowing. This allows a charge to

revenue over a 25 year period, which is deemed to be the estimated useful life. The charge is applied on a straight-line basis. Based on an opening unsupported borrowing CFR of £16.073 as at the 1st April 2016, the 2016/17 MRP charge for unsupported borrowings is £0.831m.

Members were asked to consider 2 alternative options available for charging the MRP on supported and unsupported borrowings i.e. the Straight Line Method and Annuity Method, based on the following: -

- Historic debt liability as at the 31st March 2007 and subsequent capital expenditure funded from supported borrowings to be charged to revenue over 50 years.
- The MRP charge for individual assets funded through unsupported borrowing to be based on the estimated life of each asset or 25 years where this cannot be determined.
- An assumed annuity rate of 2% for supported borrowing.
- The annuity rate for unsupported borrowing to be based on the average PWLB interest rate for new annuity loans in the year that an asset becomes operational.

An immediate recurring saving of circa £3.5m is available to support the 2017/18 revenue budget through adopting either of the proposed options. In addition to the revenue budget saving the straight-line approach will generate additional one-off sums of circa £3.8m in 2016/17 and £0.232m in 2017/18 to support the Capital Programme. The annuity approach will generate an additional one-off sum of circa £5.5m in 2016/17 and additional annual one-off sums to support the Capital Programme for a number of years as detailed in paragraph 4.6.8 of the report. The total MRP charge required to fully extinguish the CFR is the same under both the straight-line and annuity methods.

Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that having consideration for the comments of Cabinet and Special Policy and Resources Scrutiny Committee, and for the reasons contained in the Officer's report, it be recommended to Council that changes the MRP Policy, in favour of the annuity approach being applied to both supported and unsupported borrowing, be endorsed.

10. WELSH LANGUAGE STRATEGY 2017-2022

The report sought the endorsement of Cabinet for the draft 5-year Welsh Language Strategy as required by Standards 145 and 146 of the Welsh Language Standards (No1) Regulations 2015, prior to presentation to Council for approval.

The Authority is required to develop a 5-year strategy that sets out how it proposes to promote the Welsh language and facilitate the use of the Welsh language in the area. The strategy must include a target for increasing or maintaining the numbers of Welsh speakers and a statement setting out how the target is intended to be reached. The strategy must be reviewed and revised on a 5-yearly cycle.

Cabinet discussed the report at length, and concerns were raised regarding the additional cost and workload pressures on the Authority, as a result of the Standards. Officers clarified that the Welsh Language Strategy is a requirement of the Standards and positively promotes the Welsh Language by way of offering opportunity to increase the number of Welsh Speakers within the Borough. In addition it was explained Caerphilly CBC has made a number of representations to Welsh Government with regards to concerns over a number of the Standards and implications to the Authority. It was however noted that there is a review anticipated on the Welsh Language Standards, and further information would be provided to Cabinet when available.

Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the Officer's report the Welsh Language Strategy 2017-2022 be submitted to Full Council for approval.

The meeting closed at 3.30pm

Approved and signed as a correct record subject to any corrections made at the meeting held on 1st February 2017.

CHAIR

Gadewir y dudalen hon yn wag yn fwriadol



CABINET - 1ST FEBRUARY 2017

SUBJECT: HOUSING REVENUE ACCOUNT CHARGES - 2017-2018

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151 OFFICER

-
- 1.1 The attached report, which provided details of the proposed increased charges which are intended to be effective for the Housing Revenue Account (HRA) for the 2017/18 financial year, was considered by the Policy and Resources Scrutiny Committee on 17th January 2017. The report sought the views of Members on the proposed increases contained therein, prior to its presentation to Cabinet.
 - 1.2 Officers summarised the process involved in preparing the Housing Revenue Account (HRA) budget. Members were reminded that Welsh Government's (WG) new Policy for Social Housing Rents sets a target rent band for each Authority whereby councils have to adjust average rents for their properties in line with this banding. The uplift on the new rent policy is fixed for five years and uses the previous September Consumer Price Index (CPI) inflation figure (as opposed to the RPI inflation figure) and also applies a 1.5% real increase to the average local authority rent. The previous September CPI inflation figure was 1%. WG announced the minimum rent uplift for 2017/18 to be 2.5% which is CPI at 1% plus 1.5%. This increase applied to the current average rent means that Caerphilly Council are just within the low end of the target rent. It was also explained that due to a transitional protection arrangement in place, the maximum rent increase that can be applied by the Authority is 4.39%.
 - 1.3 It was therefore proposed to apply a minimum rent increase of 3% per property from April 2017 to ensure compliance with the new rent policy and to maintain the viability of the Council's current business plan. All relevant charges were highlighted within the report and detailed the amount of additional income that would be generated (excluding voids) should the proposed increase be implemented, along with the percentage of service users receiving housing benefit. Also included in the report were proposals for Council-owned garage rent increases. There were no proposed increases across a number of other charges as these are currently under review.
 - 1.4 Members discussed the letting of Council-owned garages and the number of vacant garages within the Authority's portfolio. Officers referred to the ongoing programme to improve and rationalise the Council's garage stock, and explained that many of these properties are currently vacant in order to allow improvement works to be carried out. Discussion took place regarding welfare reform and concerns were raised as to the potential for an increase in rent arrears arising from the proposals. It was explained that housing benefit will cover the increased rent charge for the majority of tenants and that the proposed increase is in line with the average across other local authorities. Officers also outlined the provisions within the Housing Revenue Account in relation to unpaid rent arrears.

- 1.5 Following consideration of the report, the Policy and Resources Scrutiny Committee unanimously recommended to Cabinet that for the reasons contained therein:-
- (i) in order to ensure compliance with the new rent policy and to maintain the viability of the current business plan, a minimum rent increase of 3% per property be applied from April 2017;
 - (ii) the variable service charge at sheltered complexes be not increased pending completion of the service charge review;
 - (iii) the meal cost at Tredgar Court be not increased pending completion of the service charge review;
 - (iv) the guest room charge for sheltered housing complexes be not increased from April 2017;
 - (v) the garage charges for Council and non-Council tenants be increased to £8.11 based on a 48-week basis from April 2017.
- 1.6 Members are asked to consider the recommendations.

Author: R. Barrett, Committee Services Officer, Ext. 4245

Appendices:

Appendix 1 Report to Policy and Resources Scrutiny Committee on 17th January 2017 - Agenda Item 9



POLICY AND RESOURCES SCRUTINY COMMITTEE – 17TH JANUARY 2017

SUBJECT: HOUSING REVENUE ACCOUNT CHARGES – 2017/2018

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151
OFFICER**

1. PURPOSE OF REPORT

- 1.1 For Members to consider and take a view on the increased Housing charges proposed in this report, prior to consideration by Cabinet on the 1st February 2017. The charges predominantly focus on council house rents and are intended to be effective for the Housing Revenue Account (HRA) for the 2017/18 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 has recently changed this uplift policy as part of the new Policy for Social Housing Rents. The new rent policy came into effect from 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 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 is fixed for five years and uses the previous September Consumer Price Index (CPI) inflation figure (as opposed to the RPI inflation figure) and also applies a 1.5% real increase to the average local authority rent. The previous September CPI inflation figure was 1%. WG announced the minimum rent uplift for 2017/18 to be 2.5% which is CPI at 1% plus 1.5%. This increase applied to our current average rent means we are just within the low end of the target rent

- 2.2 The responsibility for setting the rents for individual dwellings remains with the individual landlords, however the new policy sets a target rent band for each landlord who will be required to operate with average weekly rent levels that fall within the scope of those bands. The new 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 2017/18 rent charges, only to apply an increase that is within the new 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 17th February 2017. 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. This would result in a weekly loss in rent of about £30k (based on a 3% 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 rent increases.

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:
 - 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.
 - Caerphilly Delivers (Single Integrated Plan 2013): P2 "improve standards of housing and communities, giving appropriate access to services across the county borough".
 - IO5: Investment in Council homes to transform homes, lives and communities (WHQS)
 - People, Property & Places: A Local Housing Strategy for Caerphilly County Borough (2008/2013) Strategic Aim 6 – *Our aim is to provide good quality, well managed homes in communities where people want to live, and offer people housing choices which meet their needs and aspirations.*
- 3.2 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 Wales of vibrant culture and thriving Welsh Language.
 - A globally responsible Wales.

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 new 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 new rent policy are yet to be confirmed. Approximately 70% of tenants are in receipt of housing benefit.

4.1.4 The WG draft proposal for 2017/2018 of its policy rent band for CCBC is

- Low end £81.62 per week
- Mid-point £85.91 per week
- High end £90.21 per week

4.1.5 CCBC's current average rent for 2016/2017 is £80.03 (52 week basis). A 2.5% uplift on this average rent equates to £82.03 which is just within the low end of our rent band. However, the WHQS business plan has assumed a 3% increase in rent to ensure the plan remains viable so 3% would be recommended as a minimum increase which would create an average rent of £82.43 per week (52 week basis). This is equivalent to CPI plus £1.60. The total weekly increase is £2.40 (52 week basis).

4.1.6 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...*”

4.1.7 There is a transitional protection arrangement in place which ensures that rents cannot be increased by more than CPI plus 1.5% plus £2 for any individual tenant. This means that the maximum CCBC can increase its rent is 4.39% before the protection arrangement is compromised, which would create an average rent of £83.54 per week (52 week basis).

4.1.8 The current average rent for CCBC is £80.03 based on 52 weeks. The latest business plan submitted to WG (in Feb 2016) includes a rent increase of 3% for 2017/18 and this has resulted in a £57m borrowing requirement in order to meet the WHQS by 2019/20. A rent increase of less than 3% will mean less income for the WHQS programme which will obviously result in increased borrowing. As part of the HRAS buy out there is an imposed borrowing cap of approx. £60m (after previous borrowing has been taken into account) so there is limited flexibility to increase borrowing. If the borrowing levels go beyond the cap then the WHQS will be unaffordable.

- An increase of 2.5% would result in a £2.00 weekly increase to £82.03 on a 52 week basis. This is an additional rental stream of £1.12m that would be some £300k short of what is assumed in the current business plan resulting in a further borrowing requirement of £400k. The £300k shortfall will be passed on to future years and over a 30 year period (akin to the business plan) this would be a loss of rental income of £9m.

- An increase of 3% would result in a £2.40 weekly increase to £82.43 on a 52 week basis. This is an additional rental stream of £1.35m, and meets the income requirement needed in the current business plan. Rent charges within Caerphilly would also still remain within the low end of the target rent band.
- Members have the discretion within the rent policy to increase rent up to a maximum of 4.39% which is a £3.51 per week increase to £83.54 on a 52 week basis. This is an additional rental stream of £2m which would make a saving on the current borrowing requirement of some £600k thus freeing up some flexibility within the borrowing scope.
- All of these increases are within the rent envelope for CCBC and even the highest increase at 4.39% does not reach the mid-point of our rent envelope. However, a minimum increase of 3% is needed to meet the current business plan requirements.

4.1.9 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 will 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. The small level of uncommitted borrowing that remains up to the borrowing cap will therefore be crucial in meeting these costs, and would be compromised if additional borrowing is committed to supplement a rent increase less favourable to the business plan. A rent increase less than 3% would inevitably reduce the Council's ability to manage and maintain the housing stock to the necessary standards, and as noted above failure to implement these increased charges would increase the shortfall in resources identified in the Housing Business Plan required to meet the WHQS by 2019/20 and maintain it thereafter. An increase above 3% would create more flexibility within the business plan and have a positive impact on the level of borrowing required to meet the WHQS but the maximum allowable under WG policy for 2017/18 is 4.39%.

4.2 **Service Charges at Older Persons Housing (excluding utility charges)**

4.2.1 These are applied to Sheltered Housing Officer assisted accommodation, of which there are three types: -

- Sheltered Housing with Sheltered Housing Officer assistance and communal facilities (962 units)
- Declassified Sheltered Housing schemes with no communal facilities (133 units)
- Tredegar Court extra care scheme (25 units)

4.2.2 **Charges**

Members may be aware that Welsh Government have included in their new rent policy that social landlords who currently pool rent and service charges must disaggregate service charges from rent.

The guidance calls for service charges to be de-pooled from the main rent to ensure transparency of the services charged. This only deals with the management costs associated with the service charges which are currently eligible for housing benefits. The supporting cost element of the service charge will remain the same which is funded from supporting people grant.

Officers have set up a working group to deal with de-pooling costs and the implications surrounding it, and significant progress has already been made with the disaggregation of service charges currently charged to tenants in sheltered housing schemes. This will allow for a more accurate charge based on the services actually provided rather than continue to spread the costs equally across the tenants in all our schemes. Service charges will also be considered for general needs dwellings as part of this review.

A report on the de-pooling of service charges is due to be presented to P&R Scrutiny Committee in June. Therefore there is no intention to increase service charges as part of this report as this will be dealt with as part of the service charge review.

4.2.3 Financial Impact

The financial impact on the de-pooling exercise is as yet unknown until the review has been finalised. Supporting People is assumed to be the same as 2016/17 as generally this is not inflated therefore this element will remain the same.

4.3 **Meal Charges (Tredegar Court only)**

4.3.1 The meal service will also be included as part of the service charge review mentioned above and therefore will not attract an increase as part of this report

4.4 **Guest Room**

4.4.1 Charges

A number of sheltered housing schemes have guest rooms and the standard charge to visitors is £18.00 per night plus VAT. The charge has not increased for the past few years as it is similar to other providers. There is an ongoing review of these rooms due to their current low levels of use and an active pilot project has reduced the guest room charges to £12.50 per night plus VAT with a view to them being utilised more frequently. We are also currently in consultation with the tenants of a number of schemes regarding possible alternative uses of guest rooms and have recently converted five guest bedrooms into offices to improve facilities for staff and increase privacy and support for tenants and their families. This follows the conversion of two guest rooms in 15/16.

4.4.2 Tenants in receipt of benefit

Guest room charges do not apply to tenants, and are not eligible for housing benefit.

4.4.3 Financial impact

No additional income will be generated.

4.5 **Garage Charges**

4.5.1 The Council has 985 garages in stock, of which 622 are currently let (72% are let to non-council tenants, 28% are let to council tenants). The current weekly rent is £7.96 and it is proposed to increase the charges by 2% in line with the Council's current business plan to £8.11 per week. A report has been approved by the Caerphilly Homes Task Group which recommended proposals to improve and rationalise our garage stock. The approved programme has led to a reduction in our garage stock and will result in improvements to our remaining stock. This work, which is ongoing has an impact on void levels as the garages must be vacated prior to commencement of works. To date approx. 50% of our garage stock has been improved.

4.5.2 Tenants in receipt of benefit

Garage rents are not eligible for housing benefit and the majority (72%) of garage tenants are not council house tenants.

4.5.3 Financial impact

The increase will generate additional income of £7k.

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 1st February 2017. An information report will also be presented to CHTG on the 18th February 2016.

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 1st February 2017;
- (a) Members agree as a minimum to apply a 3% increase per property from April 2017 to ensure compliance with the new rent policy and to maintain the viability of the current business plan.
 - (b) The variable service charge at sheltered complexes is not increased pending completion of the service charge review.
 - (c) The meal cost at Tredegar Court not be increased pending completion of the service charge review.
 - (d) The guest room charge for sheltered housing complexes are not increased from April 2017.
 - (e) The garage charges for Council and non-Council tenants increase to £8.11 based on a 48 week basis from April 2017.
 - (f) This report be 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 70% 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.

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Cllr Gez Kirby, Vice Chair Policy & Resources Scrutiny Committee
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Background Papers: Available on request
Housing Revenue Account Charges – 2017/18
Welsh Government Rent Policy Guidelines

Gadewir y dudalen hon yn wag yn fwriadol



CABINET - 1ST FEBRUARY 2017

SUBJECT: INTERMENT CHARGES FOR CHILDREN (UP TO AND INCLUDING THE AGE OF 16 YEARS)

REPORT BY: CORPORATE DIRECTOR - COMMUNITIES

1. PURPOSE OF REPORT

- 1.1 To seek the views of Cabinet on the current pricing policy for the interment of children within our municipal cemeteries and to provide options for members to consider.

2. SUMMARY

- 2.1 Members will be aware of the recent campaign led by Carolyn Harris (MP for Swansea East) to abolish charges imposed by local Authorities for the interment of children. This report sets out Caerphilly's current policy along with those of other local Authorities in Wales.

3. LINKS TO STRATEGY

- 3.1 The Authority currently has "bronze status" in the "Charter for the Bereaved", which is promoted by the Institute of Cemetery & Crematorium Management (ICCM). The Charter sets out a number of "Rights", which should be available to the bereaved at all times. In addition, it sets out a number of targets to which the Authority should aspire.
- 3.2 The division's aim in relation to bereavement services is to "provide a customer focused, sensitively delivered bereavement service and to achieve excellent standards in cemetery management and maintenance".
- 3.3 The Wellbeing of Future Generations (Wales) Act 2015 is about improving the social, economic, environmental and cultural wellbeing of Wales. It requires public bodies to think more about the long term, working with people and communities, looking to prevent problems and take a more joined up approach. This will create a Wales that we all want to live in, now and in the future. The Act puts in place seven wellbeing goals and the content of this report links into three i.e. "a more equal Wales, a prosperous Wales and a healthier Wales".

4. THE REPORT

- 4.1 Bereavement services is probably one of the most sensitive frontline services provided by the Authority and deal with circa 750 interments per annum.
- 4.2 The statutory arrangements for the management of municipal cemeteries is contained in the Local Authorities Cemeteries Order 1977 (LACO).
- 4.3 Article 15(1) of LACO permits local Authorities "to charge such fees as they think proper for or in connection with burials in a cemetery".

4.4 Caerphilly's current policy on charging for the interment of children is as follows:-

| | | |
|------|--|------|
| (i) | Stillborn and those up to the age of one month | FREE |
| (ii) | Interment within any of our children's sections (one depth only) | £145 |

Currently there are Children's Sections located within three municipal cemeteries, Bedwellty, Bedwas and Brithdir cemeteries.

However, should a bereaved family opt for an interment in a conventional section (where the parents could be interred in the same plot in the future), the normal pricing structure would apply.

In terms of a new three depth grave, this would equate to £1,807.

4.5 The Authority is an active member of the Continuous Improvement Forum for Bereavement Services in Wales. Attached an Appendix 1 to this report is a "straw poll" of charges levied by other local Authorities in Wales. Members are asked to note that Rhondda Cynon Taf County Borough Council, Newport City Council and Conwy County Borough Council do not levy any charges for the interment of children under the age of 16 years.

4.6 Members should note that at the time of preparing this report (December 2016), the Leader of the City and County of Swansea Council announced that they would remove the charges for parents when it sets the budget in February stating "the small costs could be easily absorbed".

4.7 Many local Authorities in the South East Wales area are being asked to review their current policies in this regard. There is a general consensus of opinion within local Authorities that the interment fee could be removed (due to the low number of interments) and easily absorbed whilst the purchase of the Exclusive Rights of Burial (ERoB) should remain.

5. WELL-BEING OF FUTURE GENERATIONS

5.1 This report contributes to the wellbeing goals as set out in the Links to Strategy section above.

- (i) A Healthier Wales - If members are minded to remove interment fees, this will clearly reduce stress on families at probably one of the most difficult time of their lives.
- (ii) A Prosperous Wales - The removal of interment fees for children will clearly assist less affluent families with funeral costs.
- (iii) A More Equal Wales - The removal of the interment fee for children will give equal access to services for all residents irrespective of wealth.

6. EQUALITIES IMPLICATIONS

6.1 There are no potential equalities implications associated with this report for any specific groups or individuals therefore a full Equalities Impact Assessment has not been carried out.

7. FINANCIAL IMPLICATIONS

7.1 Between November 2015 and November 2016, the Authority dealt with 5 interments of children. 4 of these interments related to stillborn children and therefore no fees were imposed.

- 7.2 One interment related to the interment of a baby and the charges imposed by the Authority were:-
- (i) £1,807 for the interment (as a result of the parents requesting a 3 depth, conventional grave where they could also be interred at a later date).
 - (ii) £605 – purchase of the Exclusive Rights of Burial (ERoB).

The total cost to the family being £2,412.

- 7.3 Bereaved families do not need to purchase the ERoB however, without doing so, the grave space will remain in the ownership of the Authority and families will not be permitted to erect any memorialisation. In addition, the family will have no right on any future interments within the plot.
- 7.4 If Cabinet are minded to endorse the removal of the interment fee for children up to the age of 16, the loss of income (£1,807 for one year) is negligible in the context of the overall income achieved by the service area. Furthermore, in recent years actual cemeteries income has consistently been above the budgeted level and this is also projected to be the case for the current financial year. There is, therefore, scope to absorb the small loss of income within the current budget.
- 7.5 During the two previous financial years (2013/14 and 2014/15), the Authority has dealt with 17 interments of children. During this period only one fee was levied which was a charge of £505 (an average of £252.50 per annum). Again, this small loss of income can be absorbed due to the actual cemeteries income being consistently above the budgeted level.

8. PERSONNEL IMPLICATIONS

- 8.1 There are no personnel implications associated with this report.

9. CONSULTATIONS

- 9.1 This report reflects the views of the listed consultees.

10. RECOMMENDATIONS

- 10.1 Cabinet are asked to endorse one of the following recommendations:-
- (i) To retain the existing fee structure in relation to the interment of children.
 - (ii) To remove the interment fee of children up to and including the age of 16 years. As set out within paragraph 7.3, there would still, however be costs associated with the purchase of the Exclusive Rights of Burial if chosen by the bereaved family.

11. REASONS FOR THE RECOMMENDATIONS

- 11.1 To seek the views of Cabinet on the current fee structure relating to the interment of children.

12. STATUTORY POWER

- 12.1 Local Authorities Cemeteries Order 1977.

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Appendices:
Appendix 1 Straw Poll of Other Local Authority Charges

| LOCAL AUTHORITY | CURRENT POLICY |
|---------------------------------|--|
| Blaenau Gwent | Stillborn – No fee / Baby Under 12 months - £695 / Full charge over 12 months - £1458. |
| Swansea | NVF/Stillborn burial in babies' garden – No fee. Baby burial in family plot depth for two adult coffins - £1625 (ERoB & interment). Additional depth (step) for the baby is provided at no extra cost. Child burial family plot – standard fee £1625 depth for two (third depth is available in some cemeteries). Cremation is free for NVF/Stillborn/child up to aged 16, but they are charged a chapel hire fee of £150 if they choose to hold a service. |
| Flintshire | Children up to age 16 are free of charge if they are going into a children's grave. If they are going into a full grave with room for parents then normal fee applies. |
| Carmarthen | Stillborn/NVF - £57. |
| Rhondda Cynon Taff | No charge for children up to age 16. |
| Torfaen | Free interment of a child or baby up to 16 years of age if within a dedicated baby section or within a single depth lawn grave. If the parents wish to utilise the grave for future interments the normal burial fees would apply. <i>*this is a recent change within the last month.</i> |
| Merthyr | £174 from stillborn to age 18 – there is a surcharge for people living outside the borough doubling the cost. |
| Denbighshire | £60 from stillborn/NVF - £140 for child up to 24 months - £160 for child up to 5 years – after 5 years full fees are charged. |
| Monmouthshire | Stillborn/NVF – no charge / Children under 5 - £725 (including ERoB) – out of county £1652. 5 years plus:- New Single Depth - £1065 (including ERoB) New Double Depth - £1373 (including ERoB) New Treble Depth - £2198 (including ERoB) There is a surcharge on any burial where the deceased resided outside of Monmouthshire upon their death (excluding respite care/nursing home up to a few months). |
| Powys | Age 1 month to 12 years - £367.52 (burial charge) £358.81 (purchase of grave). Stillborn to 1 month - £188.81 (burial charge) £179.42 (purchase of grave) |
| Llanelli Joint Burial Authority | No charge for NVF or childrens burial in NVF or childrens section graves. If the family prefer to purchase a standard grave so they can also be buried in the same plot as the child, we charge the ERoB fee but do not charge for the interment. |
| Newport | No charge for interment under the age of 16. |
| Cardiff | £75. |

| | |
|----------|--|
| Conwy | No charge for interment up to age 16. |
| Gwynedd | <p>Stillborn – no charge NVF no less than 13 weeks – admin. fee only £58.60 Child up to one month – no charge</p> <p>Child up to 12 years in Adult grave: Grave for one - £640.00 Grave for two or three - £690 Further interment - £290</p> <p>Child up to 12 years in Children’s Section - £200 per interment</p> |
| Bridgend | No charge for burial of children under 12 years. If child under 12 is being interred in a new adult grave the EROB is charged at standard rate. |