



SPECIAL POLICY AND RESOURCES SCRUTINY COMMITTEE

**MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH ON
MONDAY, 7TH DECEMBER 2015 AT 5.30 P.M.**

PRESENT:

Councillor H.W. David – Chair
Councillor S. Morgan – Vice-Chair

Councillors:

Mrs P. Cook, C.J. Cuss, Miss E. Forehead, C. Hawker, Ms J.G. Jones, G. Kirby, R. Saralis,
J. Simmonds, J.Taylor

Cabinet Members:

Mrs C. Forehead (HR and Governance/Business Manager), D.T. Hardacre (Performance and
Asset Management) and Mrs B. Jones (Corporate Services)

Together with:

N. Scammell (Acting Director of Corporate Services and Section 151 Officer), S. Couzens
(Chief Housing Officer), S. Harris (Interim Head of Corporate Finance), C. Jones (Head of
Performance and Property Services), D. Titley (Corporate Customer Services Manager),
K. Williams (Private Sector Housing Manager), A. Price (Interim Deputy Monitoring Officer)
and R. Barrett (Committee Services Officer)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors L.J. Binding, A. Lewis, C.P. Mann and
D. Rees, together with Cabinet Member D.V. Poole (Housing).

2. DECLARATIONS OF INTEREST

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

REPORTS OF OFFICERS

Consideration was given to the following reports.

3. **UPDATED MEDIUM-TERM FINANCIAL PLAN AND DRAFT SAVINGS PROPOSALS FOR 2016/17**

Steve Harris (Interim Head of Corporate Finance) presented the report, which provided Members with an overview of the updated Medium-Term Financial Plan (MTFP) and draft 2016/17 savings proposals that were presented to Cabinet on the 14th October 2015, and summarised the 2016/17 savings proposals for the Directorate of Corporate Services.

Members were reminded that on 25th February 2015 Council approved the Medium-Term Financial Plan (MTFP) that showed a potential savings requirement of £14.030m for the 2016/17 financial year and £12.105m for 2017/18. This position assumed a 3.4% cut for both years in the Aggregate External Finance (Revenue Support Grant (RSG) and Redistributed Non-Domestic Rates) funding received from the Welsh Government (WG). The UK Government has undertaken a Comprehensive Spending Review in recent months and it is anticipated that the financial outlook for Local Government in Wales will inevitably worsen, which will be exacerbated by the likelihood of WG continuing to offer a degree of protection to the NHS.

This Spending Review has resulted in a delay in the announcement of the WG 2016/17 Provisional Local Government Financial Settlement and this is not expected until 9th December 2015. However, as cuts are likely to be deeper than originally anticipated, the MTFP has now been revised to reflect a reduction in the Aggregate External Finance (AEF) of 4.3% for 2016/17 and 2017/18, which equates to a further cash reduction of £2.555m for 2016/17 and £2.360m for 2017/18 above the levels originally assumed (i.e. a total savings requirement of £31.050m).

The 2016/17 Draft Savings Proposals Report presented to Cabinet on 14th October 2015 included an updated MTFP based on a number of assumptions and adjustments (some of which have reduced the overall savings requirement). Full details of these were contained within the report. After all of the above adjustments have been factored into the updated MTFP the remaining projected savings requirement for the Authority are £14.321m for 2016/17, £11.441m for 2017/18 and £9.423m for 2018/19.

The budget strategy agreed by Council on 25th February 2015 included a number of principles to be followed throughout the process of identifying savings proposals. In following these principles, the work to identify savings proposals has been led by the Corporate Management Team in consultation with appropriate Cabinet Members. Heads of Service have been heavily involved throughout the process with support from colleagues in Finance. Service Managers have also been included to ensure that all options that are deliverable for 2016/17 have been considered.

Some of the approved savings for the 2015/16 financial year only had a part-year impact (totalling £1.980m) with the full-year impact now being available to support the savings required for 2016/17. These were summarised in Section 4.2.3 of the report. A high-level summary of the new proposed savings for the 2016/17 financial year by service area and totalling £12.432m was also included in the report. The total proposed savings of £12.432m along with the £1.980m full-year impacts is £91,000 higher than the anticipated total savings

requirement of £14.321m for the 2016/17 financial year. This provides a small buffer which can be used to reconsider some of the savings proposals at the conclusion of the ongoing consultation process or alternatively the £91,000 can be set aside as savings in advance for the 2017/18 financial year.

The report presented to Cabinet on 14th October 2015 identified savings proposals totalling £8.661m across all service areas that do not have a direct impact on service users or the public. These proposals were categorised into a single line for each service area in the Appendices of the report. This is consistent with the approach adopted last year and the proposals consist in the main of vacancy management, structural reviews, budget realignment and minor changes to service provision.

The 2016/17 savings proposals for the Corporate Services Directorate amount to £1.931m, which represents 8.31% of the Directorate's 2015/16 total net budget. £1.7m of the savings proposals will have no direct impact on service users or the public. The remaining proposals totalling £0.231m will have an impact on service users and/or the public and were summarised within the report.

These included proposed savings in respect of General Fund Housing, Property and Policy Services, Customer Services, together with changes to Council Tax and Business Rates fees. Detailed reports on these savings proposals were included separately on the meeting agenda, with Members asked to consider and comment upon the content of each of the reports in turn.

Discussion of the report ensued and concerns were expressed in respect of the personnel implications arising from the 2016/17 draft savings proposals and outlined in the report, which referred to the possibility of a number of compulsory redundancies within the Directorate of Corporate Services. Officers explained that the savings proposals were prepared on the basis of 5 principles as outlined in the report, and that although every effort would be made to avoid this situation, there was the possibility that some compulsory redundancies could occur.

Members were advised that if they were not minded to support the process in respect of possible compulsory redundancies, then there would be a need for Officers to go back and source alternative savings within other essential service areas. Officers also outlined the comprehensive personnel policies involved in respect of compulsory redundancies and highlighted the very small number of such cases that have arisen as a result.

Reference was made to the extensive public consultation process on the 2016/17 draft savings proposals that was currently underway and Members commented positively on the informative article that had been placed in Newline regarding these proposals. Information was sought in respect of the proposed savings which did not have an impact on service users and/or the public and Officers explained that these would be achieved through the deletion of vacant posts, budget realignment and other minor changes. Discussion also took place regarding future asset rationalisation plans in respect of Council buildings.

Following consideration of the report, it was moved and seconded that the updated Medium-Term Financial plan and anticipated requirements (as outlined in the Officer's report) be noted, and that consideration and comment on the individual reports included on the meeting agenda relating to the draft savings proposals for 2016/17 take place. By a show of hands, this was unanimously agreed.

4. SAVINGS PROPOSALS FOR 2016/2017 – GENERAL FUND HOUSING

Shaun Couzens (Chief Housing Officer) together with Kenyon Williams (Private Sector Housing Manager) presented the report, which advised Members of proposed savings within

General Fund Housing that are required to meet the Medium Term Financial Plan objectives as proposed by Cabinet on 14th October 2015. The total savings proposed for the General Fund Housing budget in 2016/17 are £141,000, of which the majority have no impact on the public.

Members were advised that those General Fund Housing proposed savings (totalling £25,000) which will have a potentially low impact on the public consist of the removal of funding for the Family Intervention Project (FIP) (£15,000) and the phased withdrawal of funding for the contribution to the operational running costs of Caerphilly Care and Repair (£10,000). Full details of the proposals were contained within the Officer's report.

Members were advised that proposed withdrawal of funding for the Family Intervention Project (FIP) had already been considered by the Crime and Disorder Scrutiny Committee on 10th September 2015. This project was funded jointly by Housing (Homelessness Prevention Funding) and the Youth Crime Prevention Fund, but has only ever supported a small number of cases, and for 2014/15 no referrals were received. Other benefactors from the service are not supporting the project financially.

The Authority does, however, continue to support the Valleys Inclusion Project (VIP) which is considered to be a very similar service to the FIP. This project works with any vulnerable household and is thought to be far more cost effective than the FIP. This savings proposal will have a minimal effect on its service users as alternative support can be provided by both the Valleys Inclusion Project and by directly employed staff within the Council's Housing Advice Team as part of their homelessness prevention duties, which are now substantially greater as a result of the recent introduction of the Housing (Wales) Act 2014.

Care and Repair (a home improvement agency) is a third sector organisation with agencies in every Local Authority in Wales, and their main source of funding comes from the Welsh Government. Some agencies are located within Housing Associations, whilst others (as with Care and Repair Caerphilly) are independent agencies with their own management committees. The Authority has supported Care and Repair Caerphilly since 1996, who were based at that time in private sector accommodation at Maescymmer and received an annual cash contribution of around £50,000 from the Authority. Following relocation of the agency into Council premises some years later, the Authority provided support in relation to accommodation and day to day office costs of approximately £5,000, together with an annual cash contribution which currently stands at approximately £15,000 per annum.

The savings proposal is to withdraw funding of £10,000 per annum over two financial years which is expected to have a low impact on the public. Care and Repair Caerphilly have an annual budget of £185,000, of which the Authority's contribution is £30,000. Care and Repair provide a variety of services, one of which is a handyperson scheme. The Agency Director has indicated that it is this service which may be under threat as a result of the withdrawal of the Authority's funding. However the decision on which areas of the service to review will be a matter for the Care and Repair Board of Management to determine.

The Care and Repair service nationally is currently undertaking a restructuring exercise which will see the Caerphilly branch merging with the Blaenau Gwent branch. Merger discussions have already commenced, a Shadow Board is in place and it is hoped that advance warning of the savings proposals can be addressed as part of their merger process with a view to a reshaped service being provided.

Consideration of the proposals ensued and discussion took place regarding the impact of the proposed merger between Caerphilly and Blaenau Gwent Care and Repair services. Officers explained that discussions were currently ongoing and that the impact of such a merger would become clearer at a future point in time.

Reference was made to the proposal to remove funding for the Family Intervention Project and the alternative support in relation to homelessness prevention that would be provided by the Council's Housing Advice Team. Officers confirmed that in addition to support being provided by Homeless Prevention Officers (within the Housing Advice Team) and Tenancy Enforcement Officers, a number of additional Tenancy Support Officers and Tenant Liaison Officers had recently been recruited who would assist in resolving such issues.

Following consideration of the report, it was moved and seconded that the low impact of the proposals be noted and the proposed savings for 2016/17 in respect of General Fund Housing (as outlined in the Officer's report) be supported. By a show of hands, this was unanimously agreed.

5. MTFP 2016/17 – PROPERTY AND POLICY SERVICES

Colin Jones (Head of Performance and Property Services) presented the report, which proposed a number of 2016/17 revenue budget savings within Property and Policy Services that are considered to have some impact on the public. These proposed savings totalled £61,300 for 2016/17 and included the following proposals, full details of which were contained within the Officer's report:-

- (1) Reduce the council's annual budget for supporting voluntary organisations in 2016/17 by £30,000;
- (2) Where appropriate, dispose of council owned buildings identified as surplus to requirements, releasing service savings of £15,000;
- (3) Effect lease savings from the Market Place, Blackwood by re-negotiating and transferring the lease costs to the Housing Revenue Account (HRA), releasing service savings of £16,300.

Officers explained that consultation had taken place with relevant organisations on the budget reduction proposals, including at the Voluntary Sector Liaison Committee on 2nd December 2015. Feedback had been received from one of the organisations (GAVO) in respect of these proposals, who had asked it to be noted that despite their relocation to Newport, this had not changed their focus or charitable objectives (which had been suggested in the Officer's report) and that they remained committed to the delivery of a service within Caerphilly County Borough. The Officer reported that the meeting had been well attended and that the organisations had welcomed the opportunity to present their views on the proposals.

In respect of property savings, Officers outlined the details of the Council-owned buildings identified as surplus to requirements, and the income and savings that would be realised from their disposal. Members were also informed that the Customer First Centre in Blackwood was currently in the process of relocating from the Market Place premises to Blackwood Library. The vacant premises would be occupied by the Area Housing Team as part of the proposals to maintain a Council presence in Blackwood Town Centre following the closure of Pontllanfraith Offices. This would allow the lease costs to be transferred to the Housing Revenue Account which would realise a saving of £16,300.

Discussion of the report ensued and Officers confirmed that there had been no challenge by GAVO in respect of the budget cut proposals. Members agreed that GAVO's comment in respect of their focus and objectives be recognised by the Scrutiny Committee and requested that this be relayed to Cabinet during presentation of the report.

Following consideration of the report, it was moved and seconded that the proposed savings

for 2016/17 in respect of Performance and Property Services (as outlined in the Officer's report) be supported. By a show of hands, this was unanimously agreed.

6. SAVINGS PROPOSALS FOR 2016/2017 – CUSTOMER SERVICES

David Titley (Corporate Customer Services Manager) presented the report, which proposed a number of service changes within Customer Services that are required to achieve budget savings of £122,000 for 2016/17.

Members were advised that it was proposed to reduce the opening hours of Customer Service Centres and projects to encourage customers to use lower cost contact channels such as the Contact Centre, on-line digital services and kiosks. This would generate a saving of £52,000, principally in staff related costs, and would lead to the need to reduce staff numbers by 4.3 full time equivalent (FTE). These proposals included a staggered closure of a number of Customer Service Centres across the county borough for one morning per week.

It was explained that closures on Mondays, Tuesdays and Fridays have been avoided as these are the busiest times of the week in terms of customer use. Members were referred to the Officer's report which outlined full details of the proposed reduction in opening hours. A comparative table within the report was also noted which showed a significant increase in online and Contact Centre payments and a notable decrease in payments made in person at Customer Service Centres.

Members were also advised that the Mobile Customer Service Centre has had very limited uptake by residents, with approximately 100 customers a month using this service, mainly to make payments. As a result of this low footfall, the average staff cost to deal with each customer contact is approximately £39 per contact, and it was therefore proposed that this service be discontinued, which will generate a saving of £70,000.

During the course of the ensuing debate, Officers confirmed that it was intended to dispose of the Mobile Customer Service Centre vehicle following its decommissioning. Discussion took place on this matter and Members referred to Section 4.8 of the Officer's report, which explained that the Mobile Customer Service Centre had originally been introduced to help mitigate the impact of Welfare Reform changes. This matter has since been addressed by other successful initiatives within the Authority, which has led to a lower than expected usage of the Mobile Customer Service Centre. Members recognised that there is no longer a need for the vehicle's intended use and requested that a comment to this effect be included within the report recommendation and forwarded to Cabinet.

Reference was made to the need to reduce staff numbers by 4.3 FTE as part of the proposed savings. The service currently has 2 FTE vacant posts and hence there is a need to reduce by 2.3 staff. Officers confirmed that every effort would be made to avoid compulsory redundancies, with full use made of personnel policies to achieve this if redeployment of the staff is not achievable in the first instance. It was also confirmed that the Trade Unions had been advised of this potential reduction and had taken a pragmatic view of the proposals.

A Member requested details of the footfall for the Customer Services Centres and the numbers of people using them to report issues and it was agreed that Officers would circulate this information to the Scrutiny Committee following the meeting.

Subject to it being reported to Cabinet that the Scrutiny Committee recognised that the Mobile Customer Service Centre is no longer required for its intended use, it was moved and seconded that the new Customer Services arrangements (as highlighted in the Officer's report) be endorsed for further public and user consultation. By a show of hands (and in

noting there were 2 abstentions), this was agreed by the majority present.

7. COUNCIL TAX AND BUSINESS RATES – PROPOSED INCREASE IN COURT FEES

Steve Harris (Interim Head of Corporate Finance) presented the report, which proposed an increase in the court fees payable in relation to the process for obtaining liability orders for unpaid council tax and National Non-Domestic Rates (also known as business rates).

Members were informed that whilst the majority of householders and businesses pay their bill on time, there are circumstances when the Council has to take steps to recover unpaid council tax/business rates. This is a statutory process which eventually leads to the serving of a court summons with a view to obtaining a liability order. A liability order is a court order that enables the Council to enforce the collection of unpaid council tax or business rates. During the 2014/15 financial year 6,388 court summonses were issued and 5,637 liability orders were obtained.

As a billing/rating authority, the Council is permitted under council tax and non-domestic rating regulations to recover the costs incurred in carrying out the actions necessary to obtain a liability order in the magistrates' court. In Wales the fees chargeable by a billing/rating authority in respect of a summons action and a liability order application for council tax and business rates arrears are currently limited by regulation to a maximum of £70.00 in each case. Included within the £70.00 fee limit per case, there is a statutory £3.00 fee payable to the magistrates' court for issuing each summons. For Caerphilly CBC, the total fee payable in each case for the 2015/16 financial year is £57.30 (which includes the £3.00 fee payable to the court).

It was therefore proposed that an incremental approach to increasing the level of fees be adopted until they match the actual costs incurred (subject to the £70.00 limit imposed by regulation). Members were therefore asked to consider and comment upon the following proposals:-

- (1) A proposed increase of 4% with effect from 1st April 2016. This results in an increase of £2.30 per case i.e. from the current level of £57.30 to £59.60;
- (2) The potential for further incremental annual increases from 2017/18 (subject to a further report at a later date setting out detailed proposals).

Members were informed that all Welsh Local Authorities had been contacted to determine what court fees are being charged across Wales. 20 responses were received, which revealed that the majority of Local Authorities are charging the maximum fee of £70.00.

During the course of the ensuing debate, discussion took place regarding the feasibility of increasing the fees to the maximum £70.00 limit. Clarification was also sought on the rationale behind annual incremental increases (as opposed to a single larger increase) and Officers explained that this had been proposed in line with the results of public feedback.

In response to Members' queries, Officers outlined the processes involved in respect of council tax/business rates arrears and repayment plans, and confirmed that a robust collection procedure (with a 99% success rate) was operated by the Authority.

Following consideration of the Officer's report, an amendment to the recommendation contained within was moved and seconded, in that the maximum £70.00 court fee (instead of the proposed 4% increase and further annual incremental increases) be implemented with

effect from 1st April 2016. By a show of hands (and in noting there was 1 against) this was agreed by the majority present.

The meeting closed at 6.13 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 19th January 2016, they were signed by the Chair.

CHAIR