



## **POLICY AND RESOURCES SCRUTINY COMMITTEE**

**MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH ON  
TUESDAY, 12TH JULY 2016 AT 5.30 P.M.**

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PRESENT:

Councillor S. Morgan – Chair

Councillors:

L. Binding, Mrs P. Cook, C.J. Cuss, Miss E. Forehead, J.E. Fussell, C. Hawker, Ms J.G. Jones, A. Lewis, C.P. Mann, R. Saralis, J. Simmonds and J. Taylor

Cabinet Members:

Mrs C. Forehead (HR and Governance/Business Manager), D.V. Poole (Housing)

Together with:

C. Harrhy (Corporate Director – Communities), S. Couzens (Chief Housing Officer), L. Donovan (Acting Head of Human Resources and Organisational Development), S. Harris (Interim Head of Corporate Finance), P. Smythe (Housing Repair Operation Manager), F. Wilkins (Public Sector Housing Manager), K. Williams (Private Sector Housing Manager), C. Forbes-Thompson (Interim Head of Democratic Services), J. Morgan (Solicitor), C.B. Jones (Legal Assistant) and R. Barrett (Committee Services Officer)

Also present:

J. Garcia (Assistant Branch Secretary - Unison)

### **1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors G. Kirby, D. Rees, Mrs B. Jones (Cabinet Member for Corporate Services) and D.T. Hardacre (Cabinet Member for Performance and Asset Management), together with Nicole Scammell (Acting Director of Corporate Services and Section 151 Officer).

### **2. DECLARATIONS OF INTEREST**

During the course of the meeting, a declaration of interest was received from Councillor S. Morgan and is detailed with the respective item.

### **3. MINUTES – 31ST MAY 2016**

RESOLVED that the minutes of the Policy and Resources Scrutiny Committee held on 31st May 2016 (minute nos. 1 – 10) be approved as a correct record and signed by the Chair.

### **4. CALL-IN PROCEDURE**

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

### **5. REPORT OF THE CABINET MEMBER**

During the course of the debate on this item, Councillor S. Morgan declared a personal interest (in that he is registered as a landlord with Rent Smart Wales). As it was personal and not prejudicial, he remained in the meeting during consideration of the item.

The Scrutiny Committee received a verbal report from Councillor D.V. Poole (Cabinet Member for Housing), who informed Members that the Housing Advice Team is currently reviewing all existing housing applications to allocate each applicant the appropriate band category. This will replace the existing points-based system, in readiness for the implementation of the new Common Housing Register (which will provide a single application process for Council housing across the county borough). In response to a Member's query, the Cabinet Member explained that this review will provide an opportunity for existing tenants to highlight any changes to their needs/circumstances, and he also outlined the appeals procedure available regarding assessment outcomes.

Further to a Cabinet decision to commission a feasibility study for the remodelling of a number of existing Sheltered Housing schemes, the Cabinet Member and Officers recently met with Neath Port Talbot Homes to view a number of their schemes at various stages in the remodelling process and spoke to tenants where the work has been completed. The information gathered from this visit will be used to assist Caerphilly Council in bringing forward future proposals for their Sheltered Housing schemes, including the need to consider the accessibility and technical requirements of tenants in future years.

Members were advised that following the launch of Rent Smart Wales in November 2015, Officers have actively undertaken awareness-raising activities in an effort to ensure that private landlords within the county borough are aware of their obligations under this new legislation. The one year grace period to allow landlords to undertake any relevant training expires on 23rd November 2016 and therefore it will be an offence to be non-compliant after this date. This initiative will bring about better standards of management within the private rented sector, and the Cabinet Member urged those landlords who have yet to address their new responsibilities to do so as a matter of urgency, as the Council will have powers to take enforcement action against unregistered landlords. Information is available on the Rent Smart Wales website or from the Private Sector Housing Team.

Following discussion on this matter, it was agreed that arrangements would be made for a Members Seminar to be held regarding the new Rent Smart Wales Scheme.

The Cabinet Member also referred to the Year End Performance Report for Housing Services that was due to be presented at the meeting, explaining that it highlighted the wide range of services provided by Housing and the amount of work undertaken by dedicated Officers. The Cabinet Member summarised the impact of changing legislation on the service, as well as the need to make budget savings to contribute towards the Council's Medium Term Financial Plan (MTFP), whilst supporting the delivery of the Welsh Housing Quality Standard (WHQS) programme, and welcomed the views of the Scrutiny Committee on the contents of the report.

The Cabinet Member was thanked for his report.

## **6. POLICY AND RESOURCES SCRUTINY COMMITTEE FORWARD WORK PROGRAMME**

Cath Forbes-Thompson (Interim Head of Democratic Services) presented the report, which outlined details of the Policy and Resources Scrutiny Committee Forward Work Programme (FWP).

Members were advised that the FWP includes all reports agreed at the meeting held on 31st May 2016 and outlines the reports planned for the period July 2016 to April 2017. Members were asked to consider the FWP alongside the Cabinet Work Programme as appended to the report and to suggest any changes.

A number of amendments were suggested, and it was agreed that the Corporate Services and Miscellaneous Finance 2016/17 Budget Monitoring Report be withdrawn from the FWP and placed on the Members' Portal as an information item, and that the Capital Outturn Report 2015/16 scheduled for presentation to Cabinet be placed on the FWP. Furthermore it was agreed that the Treasury Management – Review of MRP Policy report already on the FWP be rescheduled to 15th November 2016 (prior to its presentation to Cabinet) and that two additional reports (Usable Reserves Annual Report and Leaseholder Consultation Report) be added to the FWP for presentation to the Scrutiny Committee.

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

## **7. CABINET REPORTS**

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

### **REPORTS OF OFFICERS**

Consideration was given to the following reports.

## **8. HR STRATEGY DOCUMENT**

The Chair welcomed Mr Juan-Antonio Garcia (Assistant Branch Secretary - Unison) to the meeting, who was in attendance to provide the Trade Unions' response to the report.

Lynne Donovan (Acting Head of Human Resources and Organisational Development) presented the report, which sought Members views on the draft HR Strategy 2016-20, prior to its presentation to Cabinet for approval.

Officers explained that following a review of the Council's Human Resources (HR) arrangements in 2012, Wales Audit Office (WAO) raised the need for the improvements in strategic HR and workforce planning, and subsequently made the statutory recommendation that the Council 'ensures that the actions identified to improve the HR function and workforce planning are implemented'. The WAO follow-up of the Special Inspection report of January 2015 concluded that a number of improvements were awaiting completion but noted the significant progress made by the Council in developing HR-related policies to facilitate the implementation of the Council's Medium Term Financial Plan. The HR Strategy document has been developed to address an outstanding proposal for improvement from WAO, which stated that the Council should prioritise the development of an HR strategy and workforce plan to form key elements of the Council's strategic planning framework.

Members were advised that this will be the first HR Strategy for Caerphilly CBC, and in view of the potential future challenges and changes faced by the Authority, it was proposed that the HR Strategy (appended to the report in draft form) be reviewed 12 months after implementation and updated if considered necessary.

Mr Garcia was invited to respond to the proposed HR Strategy on behalf of the collective Trade Unions. He confirmed that the Trade Unions had no issues with the proposed HR Strategy and recognised the need for efficiencies to be made, but that they had expressed the need for the Authority to exercise its duty of care to its employees when utilising the Strategy across the workforce.

During the course of the ensuing debate, concerns were expressed regarding the references to reviewing services and attendance management policies. Officers reiterated that the aim of the HR Strategy is to support Managers to deliver, maintain and improve services and minimise the impact to staff in the achievement of budget targets. In response to a Member's query, it was confirmed that the HR Strategy Group would regularly review the progress of the Strategy (including consultation with Trade Unions) to ensure its continued effectiveness.

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

RECOMMENDED to Cabinet that:-

- (i) the HR Strategy as appended to the report be approved;
- (ii) the HR Strategy be reviewed 12 months after implementation to ensure it is current and fit for purpose.

## **9. YEAR END PERFORMANCE REPORT FOR HOUSING SERVICES**

Christina Harry (Corporate Director – Communities) presented the report, which provided an update on performance of the Housing Service during 2015/16, set out the key service objectives for 2016/17 and highlighted any potential challenges that may affect the delivery of these objectives. Details of performance within each Housing Service section (Housing Repair Operations, Private Sector Housing, and Public Sector Housing) together with areas for improvement, key objectives and priorities for the year ahead, and the main risks identified, were summarised within the report.

Members were advised that overall the performance of the Housing Service for 2015/16 is considered to be good, although it is accepted that there are areas for improvement. In addition, a number of challenges have been identified that have resulted in action plans being developed, which have been incorporated into the 2016/17 service plan. Looking forward, the main challenges relate to the need to respond to and implement changing legislation, together with rising customer expectations against limited financial resources. However, the service area is well placed to respond to such challenges.

Officers highlighted a number of achievements within the Housing Service, including Housing Repair Operations, who were nominated as finalists in the Association of Public Excellence (APSE) UK Awards as Best Performing Authority for Building Maintenance 2015. Members were also asked to note a 99% customer satisfaction rate for works carried out within Private Sector Housing.

During the course of the ensuing debate, clarification was sought on the number of homeless households temporarily accommodated in bed and breakfast accommodation during 2015/16 (175). Officers confirmed that this is an annual figure and that there were currently 6 households living in temporary accommodation across the county borough. It was explained

that the Council's efforts in respect of homelessness prevention has seen a significant reduction in such cases during 2015/16, and Members were advised that an update on this matter would be presented to the Scrutiny Committee in November 2016.

A Member queried the number of backlog repairs pending at year end (1224) and the ways in which planned repairs are communicated to tenants. Officers explained that this figure represents the total number of repairs in progress which are scheduled to be completed and that they are currently examining ways to improve repairs communications with tenants (such as text message reminders for repair appointments).

Clarification was sought on progress against Improvement Objective 5 (Investment in homes to transform lives and communities). Officers explained that this has been addressed in a recent report presented to the Scrutiny Committee but that the improvements made to Council housing stock have benefitted the health and wellbeing of tenants and improved their standard of living.

In response to a Member's query, Officers outlined efficiencies made to the DLO repair fleet, including the geographical placement of repair vehicles across the county borough, advance stocking of repair materials, and the use of a dynamic repair system, which has seen a reduction in fuel costs during 2015/16. Reference was made to the utilisation of existing staff and property visits to maximise information gathering as a means of implementing property/tenancy inspections, and Officers explained that staff now take a more holistic overview when visiting properties (rather than attending or reporting on a specific purpose).

Reference was made to the cost of providing leaseholder services management function and Officers explained that work is underway to establish and recoup more accurate costs in this area. Discussion also took place regarding marketing strategies in respect of long-term voids and hard to let voids and it was agreed that Members would be included in the distribution list for the Immediately Available Properties list that is regularly circulated by Housing Services.

Members were pleased to note the positive performance of the Housing Service and placed on record their appreciation to the Housing Management Team for the excellent progress outlined in the report.

Following consideration of the report, Members noted its contents, together with the progress made against performance objectives within Housing Services for 2015/16.

## **10. RESERVES STRATEGY**

Steve Harris (Interim Head of Corporate Finance) presented the report, which outlined details of the Council's draft reserves strategy document, and sought the comments of Members prior to its presentation to Cabinet for approval.

Members were informed that the creation and use of both general and earmarked reserves are key tools to assist Authorities in delivering services over a period of longer than one financial year. They are an essential part of good financial management and help Councils cope with unpredictable financial pressures, help them smooth the impact of known spending requirements over time, and help to fund any in-year overspending.

Usable reserves held by Local Authorities have been subject to increased scrutiny in recent years, and in February 2015, after reviewing details of reserves held by all Councils in Wales, the Minister for Public Services referred to a lack of consistency in applying protocols for the establishment, review and discharge of reserves. He also expressed particular concern over the apparent lack of opportunity for Elected Members to engage in and scrutinise the use of reserves held by their Authorities. In April 2015 the Wales Audit Office (WAO) published a report on the financial resilience of Councils in Wales, which recommended that "Councils should ensure that they have a comprehensive reserves strategy that outlines the specific

purpose of accumulated usable reserves as part of their Medium-Term Financial Plan”.

It was explained that the draft reserves strategy (appended to the report) consolidates existing arrangements for the establishment and subsequent management and use of reserves within the Authority. One significant change to existing arrangements is a proposed 3% cap on the amount Directorates can hold in reserve from accumulated revenue budget underspends. Full details were outlined in the report, together with the reporting procedure to be followed in cases where the 3% limit is exceeded. It was noted that as part of the reserves strategy, an annual report on usable reserves will be prepared for the Policy and Resources Scrutiny Committee, which will contain detailed information and ensure that there is an opportunity for effective scrutiny of the balances held and their intended purpose.

During the course of the ensuing debate, reference was made to the Council’s borrowing and investment practices. Officers explained that these areas are included in the Council’s Treasury Management strategy and do not form part of the reserves strategy. Discussion took place regarding the definition of unusable reserves and Officers confirmed that these are not cash-backed but are required to meet statutory financial reporting requirements. In response to a Member’s query, Officers provided further details on the reporting process to be followed where the proposed 3% cap on Directorate underspend reserves is exceeded. Reference was also made to school ring-fenced reserves and Officers outlined the policy for managing both surplus and deficit school balances.

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

RECOMMENDED to Cabinet that the draft Reserves Strategy document as appended to the report be approved.

The meeting closed at 6.40 pm.

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 4th October 2016, they were signed by the Chair.

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CHAIR