



## Document Pack

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Prif Weithredwr,  
*Chief Executive*,  
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County Hall, Carmarthen. SA31 1JP

Dear Councillor

### COUNTY COUNCIL - WEDNESDAY, 13TH DECEMBER, 2017

Please find attached the Executive Board minutes which were not included in the original agenda pack despatched yesterday.

<b>Agenda No</b>	<b>Item</b>
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| 12. | <b><u>TO RECEIVE THE REPORT OF THE MEETING OF THE EXECUTIVE BOARD HELD ON THE 27TH NOVEMBER 2017. (Pages 3 - 10)</u></b> |
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Yours sincerely

*Mark James*

Chief Executive

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## EXECUTIVE BOARD

Monday, 27 November 2017

**PRESENT:** Councillor L.M. Stephens (Chair)

**Councillors:**

H.A.L. Evans, L.D. Evans, D.M. Jenkins, J. Tremlett, P.M. Hughes, P. Hughes-Griffiths, G. Davies and C.A. Campbell

**Present as Observers:**

**Councillors** S. Davies, J. Edmunds, J. James, R. James. B.A.L. Roberts and J. Prosser

**The following Officers were in attendance:**

M. James, Chief Executive  
 J. Morgan, Director of Community Services  
 C. Moore, Director of Corporate Services  
 G. Morgans, Director of Education & Children's Services  
 R. Mullen, Director of Environment  
 W. Walters, Director of Regeneration & Policy  
 P.R. Thomas, Assistant Chief Executive (People Management & Performance)  
 L.R. Jones, Head of Administration and Law  
 R. Staines, Head of Housing and Public Protection  
 D. Hockenhull, Marketing and Media Manager  
 K. Thomas, Democratic Services Officer

**Chamber, County Hall, Carmarthen - 10.00 - 10.50 am**

**1. APOLOGIES FOR ABSENCE.**

An apology for absence was received from Councillor E. Dole

**2. DECLARATIONS OF PERSONAL INTEREST.**

Councillor	Minute Number	Nature of Interest
H.A.L. Evans	6 – The Establishment of a Council Owned Housing Company	Sister is the Chief Executive of the Bro Myrddin Housing Association
H.A.L. Evans	7 – Introduction of 'choice Based Lettings Process' for Council Housing in Carmarthenshire	Sister is the Chief Executive of the Bro Myrddin Housing Association
Mr J. Morgan, Mrs R. Mullen, Mr C. Moore, Mrs W. Walters, Mr G. Morgan, Ms. L. Rees Jones, P.R. Thomas, Ms D. Hockenhull and K. Thomas	13 – Severance Scheme – Extension beyond March 2018	The scheme relates to the Authority's staff

**3. TO SIGN AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE EXECUTIVE BOARD HELD ON THE 23RD OCTOBER 2017**

**UNANIMOUSLY RESOLVED** that the minutes of the meeting of the Executive Board held on the 23<sup>rd</sup> October, 2017 be signed as a correct record.

**4. QUESTIONS ON NOTICE BY MEMBERS**

The Chair advised that no questions on notice had been submitted by members.

**5. PUBLIC QUESTIONS ON NOTICE**

The Chair advised that no public questions on Notice had been received.

**6. THE ESTABLISHMENT OF A COUNCIL OWNED HOUSING COMPANY**

(NOTE: Councillor H.A.L. Evans, having earlier declared an interest in this item, left the Council Chamber, during its determination by the Executive Board)

The Executive Board, (further to minute 13 of its meeting held on the 27<sup>th</sup> February, 2017) considered a report on proposals for the establishment of a Council Owned Local Housing Company (The Company) as a development vehicle to accelerate house building within Carmarthenshire to increase the supply of much needed additional homes, whilst creating jobs, training and apprenticeship opportunities, supporting the supply chain and delivering the Council's regeneration ambitions. The Company would also compliment the continuing use of the Housing Revenue Account resources to commission new homes (where it was appropriate to do so) and would also support the Council's Affordable Housing Commitment of March 2016 for alternative housing delivery options to increase the number of homes within the County.

The Executive Board was advised, that if endorsed, the Company would be wholly owned by the Council, would not involve the transfer of any of the Council's existing housing stock, which would continue to be managed and maintained by the Council, or the TUPE (Transfer of Undertakings Protection of Employees) of existing staff.

The Executive Board was further advised that the report set out in detail the arrangements for establishing the Company and contained seven recommendations for its approval which included the arrangements for the appointment of five company directors, the preparation of a business plan for the approval of both the Board and the Council and the initial set up costs.

The report had been considered and endorsed by the Community Scrutiny Committee, at its meeting held on the 24<sup>th</sup> November, 2017 with the added recommendation that the Executive Board give consideration to a suggestion that the Council receive a presentation on the completed Business Plan at the appropriate time.

Councillor John Prosser, in accordance with Corporate Procedure Rule 11.1 asked whether the proposed Council Housing Company, which was going to have five Directors, with only one council member being a director, would mirror the position

in England and other Housing Companies and would it not be better, for scrutiny, if the Council adopted the same position as with its Pensions Committee and appointed three Council members as Directors on a cross party basis to be more representative, regardless of who was in power.

The Executive Board Member for Housing advised that as with all companies, the Board of Directors would be responsible for running the Company and have responsibilities to comply with company law. If the Board of Directors comprised a majority of council members, it could be seen as, and accused of being, a body governed by public law. In other words, it would look like local government and therefore would have to follow the rules of local government, including procurement obligations. It was important the aim of the Company was understood and the Directors had the necessary skills and vision to ensure its success. The Council would be the only shareholder, and the Board of Directors would be accountable to the Executive Board which could appoint and remove Directors as required.

In response to a supplementary question from Councillor Prosser, the Executive Board Member for Housing confirmed the Executive Board would be responsible for appointing the company directors and ensuring those appointed had the right skills, knowledge and expertise required to operate the company.

#### **UNANIMOUSLY RESOLVED**

- 6.1 That a wholly owned Housing Company 'The Company' be created to build homes for sale and rent and act as a catalyst for further regeneration activities.**
- 6.2 That the Company be incorporated as a limited company with the Council as the sole shareholder.**
- 6.3 That the Articles of Association and Shareholder consent for the Company be approved.**
- 6.4 That the Company's Business Plan be prepared and agreed by the Board of the Company and submitted for formal approval by the Executive Board of the Authority prior to its implementation.**
- 6.5 That any loan from the Council, as agreed in the Company's business plan, be repaid at a commercial rate of interest, as agreed by the Director of Corporate Services.**
- 6.6 That the set up costs of the Company (estimated to be £100,000 in 2017/18) be recovered by way of a loan arrangement (at a commercial rate set by the Director of Corporate Services) with the duration to be agreed within the detailed business plan. In the event the Company was not established, the implementation costs be met from reserves.**
- 6.7 That the Board of Directors comprise one member of the Council, two officers and two external appointments.**

#### **7. INTRODUCTION OF A 'CHOICE BASED LETTINGS' PROCESS FOR COUNCIL HOUSING IN CARMARTHENSHIRE**

(Councillor H.A.L. Evans, having earlier declared an interest in this item, remained in the meeting and took part in its consideration and voting thereon)

The Executive Board considered a report on proposals for the introduction of a 'Choice Based Lettings' process for Council Housing in Carmarthenshire whereby

the Council would openly advertising vacant properties and invite people on the Housing Choice Register to bid for the tenancy of those properties, as opposed to the current policy of offering properties to prospective tenants . The new process, if adopted, was considered to be beneficial to both tenants and the Council in that it:

- Was open and transparent in relation to vacancies;
- Ensured applicants who expressed an interest in a particular property wanted the home rather than accepted it on the basis there was a penalty if they refused,
- Was more likely the successful applicant would accept the property and stay longer (making for more sustainable tenancies and communities)
- Provided the authority with real time planning data regarding the popularity/desirability of its homes, which should influence the asset management strategy and affordable homes commitment,
- Reduced staff time spent identifying applicants,
- Reduced property refusals
- Complemented the Council's 'do it on-line' programme.

The Executive Board was informed that the Community Scrutiny Committee, at its meeting held on the 24<sup>th</sup> November, 2017 had been consulted on, and endorsed, the proposal for adoption by the Executive Board.

**UNANIMOUSLY RESOLVED that the Council's existing process for the letting of homes be changed in favour of a 'Choice Based Lettings' approach.**

## **8. COUNCIL'S REVENUE BUDGET MONITORING REPORT**

The Executive Board considered the revenue budget monitoring report which provided an update on the latest budgetary position as at the 31<sup>st</sup> August, 2017.

Overall, the report forecast an end of year overspend of £1,706k on the Authority's net revenue budget, with an over-spend at departmental level of £2,829k. The Housing Revenue account was forecasting an under-spend of £21k.

**UNANIMOUSLY RESOLVED:**

- 8.1. that the budget monitoring report be received.**
- 8.2 that Chief Officers and Heads of Service critically review their budgetary positions and implement appropriate actions to deliver their services within their allocated budgets.**

## **9. CAPITAL PROGRAMME 2017-18 UPDATE**

The Executive Board considered a report providing an update on the capital programme spend against the budget for 2017/18 as at the 31<sup>st</sup> August, 2017 together with the re-profiled five year capital programme for the period 2017/18 – 2021/22.

The Executive Board noted that, based upon the projected £80.788m budget, there was a variance of £30.427m attributable to slippage of projects between financial years which, would be slipped into future years as the funding would be required to ensure the schemes' completion over a longer timescale.

## **UNANIMOUSLY RESOLVED**

- 9.1 that the capital programme update budget monitoring report, as detailed in Appendix A and B, be received.**
- 9.2 That the re-profiled five year capital programme 2017/18 – 2021/22, as detailed in Appendix C to the report be received.**

## **10. REVENUE BUDGET STRATEGY 2018/19 to 2020/21**

The Executive Board considered the above report which provided an overview of the Revenue Budget for 2018/19 and the following two years. The report detailed the budget process timetable, summarised the Welsh Government's provisional settlement, the final settlement timetable and identified the validation and budget pressures that needed to be considered by members in setting next year's revenue budget. The report also formed the basis of the budget consultation process that would be undertaken with the Council's scrutiny committees and the community during the period November, 2017 – January, 2018 prior to a report being submitted to the Executive Board and thence to Council.

The report outlined the key elements of the draft budget strategy and highlighted that Carmarthenshire's provisional cash settlement, whilst better than originally anticipated, represented a 0.5% reduction in grant funding, which was significantly enhanced when the Authority took into account inflationary factors, demographics and demand changes. However, the better than anticipated provisional settlement had enabled the Authority to revisit its efficiency targets, set in the original budget outlook report presented to the Executive Board in July 2017, and confirm the Strategy proposed no reduction in the schools' delegated budget.

It was noted that the provisional settlement included the 'transfer in' of a number of major grants including the Single Environment Grant, at £35m across Wales, Independent Living Grant of £26.9m and Social Care Workforce Grant of £19m to support the Local Government Principle of providing more control to authorities to manage their services and assist in reducing the level of work in administering specific grants locally. It was further noted that only one new responsibility had been included in the settlement with an additional £6m to support the delivery of local services to meet Homelessness Prevention Duties.

The Budget Strategy contained £7.7m for essential validation together with an additional £3m for new expenditure, as identified by departments in Appendix B to the report. Departments had again identified efficiency savings, as detailed in Appendix A to the report, of £8.3m in year 1 and a further £17.2m over the following two years ensuring the authority, based on current projections could deliver essential services whilst endeavouring to contain any council tax increase to an acceptable level. The report also provided an overview of current reserves, which were to be further reviewed, with the anticipation of any reserves becoming available being used to support the capital programme and the delivery of regeneration opportunities, therefore sustaining future growth within the County.

The current budget proposals, having regard to the above factors had enabled the proposed council tax increase for 2018/19 to be contained to 4.12%.

Reference was made to page 134 of the report and to the Welsh Government Statement that 'the school element of the settlement had been increased by £62m



in 2018-19'. The Board was informed that the figure did not represent 'new money' but was merely a diversion of funding from other services. The Chief Executive confirmed that whilst that money had been incorporated within the settlement, it did not detract from the fact the Authority's 2018/19 settlement would still be 0.5% less than 2017/18.

**UNANIMOUSLY RESOLVED** that the contents of the report be noted and the three year budget strategy be approved as a basis for consultation, and to specifically seek comments from consultees on the efficiency proposals detailed in Appendix A to the report.

## **11. NATIONAL BOTANIC GARDEN OF WALES**

The Executive Board considered a request received from the National Botanic Garden of Wales for the Authority to provide an extension on its current loan and lease agreements due to expire on the 31<sup>st</sup> March, 2018 on the basis it was not currently in a position to repay the outstanding loan amount of £1.35m and to also enable it to raise additional funds to undertake renovation works to the three leased farmhouses. The Gardens, as part of the request, had submitted to the Authority its five year business plan detailing how it proposed to improve its financial sustainability by undertaking a range of project and business development activities, a number of which had already been implemented to positive effect.

The Executive Board, in considering the report, had regard to the fact the Gardens had benefitted from an interest free loan from the Council since 2005, currently valued at £1.35m, and that if the request were to be supported, it would expect repayment of the loan at the end of the extension.

Reference was also made to the support provided by the Council over previous years and a suggestion made it may be beneficial for the Executive Board to visit the Gardens.

### **UNANIMOUSLY RESOLVED:**

- 11.1 That the Authority's interest free loan to the National Botanic Garden of Wales be extended for a further two years to the 31<sup>st</sup> March 2020.**
- 11.2 That the National Botanic Garden of Wales be allowed continued occupation of three of the four farmhouses on a tenancy basis for a further two years to the 31<sup>st</sup> March 2020.**
- 11.3 That the National Botanic Garden of Wales be informed that the Council expected interest to be charged on the loan from April 1<sup>st</sup> 2020.**
- 11.4 That the Executive Board undertake a visit to the National Botanic Garden of Wales.**

## **12. TREASURY MANAGEMENT AND PRUDENTIAL INDICATOR REPORT 1ST APRIL 2017 TO 30TH SEPTEMBER 2017**

The Executive Board, in accordance with the 2017/18 Treasury Management Policy and Strategy (adopted by Council on the 6<sup>th</sup> February, 2017 – Minute 9 Refers) received an update on the treasury management activities for the period 1<sup>st</sup> April, 2017 to the 30<sup>th</sup> September, 2017.



**UNANIMOUSLY RESOLVED THAT IT BE RECOMMENDED TO COUNCIL THAT the report be received.**

**13. SEVERANCE SCHEME - EXTENSION BEYOND MARCH 2018**

(NOTE: All Officers in attendance at the meeting declared an interest in this item and left the meeting during its consideration, with the exception of the Chief Executive and the Democratic Services Officer)

The Executive Board considered a report on the operation of the Council's Severance Scheme which, having been in place since 2016, had enabled the Authority to release 38 employees from its employment out of a total of 336 applications received. It was reported that whilst the scheme had provided managers with a method of incentivising staff to volunteer to leave their employment, thereby making it easier to manage change and reduce the requirement for enforced redundancies, the numbers of employees being released over time had reduced to the point where it was considered opportune to review the scheme in relation to:-

- a) Whether the policy and process should continue in its current format;
- b) Whether the policy should be withdrawn;
- c) Whether the policy should be continued, but with a more flexible and lower key approach.

The Executive Board gave due regard to the each of the three options, and to the explanations for each detailed within the report.

**UNANIMOUSLY RESOLVED that Option C be adopted, and rather than continue with a formal process of inviting severance applications from staff annually, the policy be retained and extended for a further three years or beyond and be utilised by managers alongside other strategies, as required.**

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**CHAIR**

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**DATE**

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