

EXECUTIVE BOARD

Monday, 5 February 2018

PRESENT: Councillor E. Dole (Chair)

Councillors:

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

Also in attendance:

Councillor J.S. Edmunds, J.D. James, R. James, K. Lloyd, J.G. Prosser, B.A.L. Roberts and B. Thomas

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
L.R. Jones, Head of Administration and Law
D. Hockenull, Marketing and Media Manager
J. Morgan, Acting Head of Homes & Safer Communities
K. Thomas, Democratic Services Officer

Chamber, County Hall, Carmarthen - 10.00 - 10.50 am

1. APOLOGIES FOR ABSENCE.

Apologies for absence were received from Councillors H.A.L. Evans and P.M. Hughes.

2. DECLARATIONS OF PERSONAL INTEREST.

There were no declarations of personal interest.

3. TO SIGN AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE EXECUTIVE BOARD HELD ON THE 8TH JANUARY 2018

UNANIMOUSLY RESOLVED that the minutes of the meeting of the Executive Board held on the 8th January, 2018 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. REVENUE BUDGET STRATEGY 2018/19 TO 2020/21

The Executive Board considered a report which brought together the latest proposals for the Revenue Budget 2018/2019, provided indicative figures for the 2019/2020 and 2020/2021 financial years and summarised the latest budgetary position giving an update on the budget validation, spending pressures, the Welsh Government final settlement and the responses from the budget consultation.

The Executive Board Member – Resources outlined to the Board a number of factors influencing the budget, including, the final settlement received from the Welsh Government on the 20th December, 2017 which had been more favourable than originally anticipated thereby enabling the Council to revisit some of its initial budget proposals and consider further options including taking account of the latest pay award offer. Whilst the final settlement for this authority had increased by 0.2%, amounting to an additional £1.48m on the provisional settlement, it still represented a reduction in funding in real terms having regard to inflation and other price movements. The settlement also came with extra responsibilities including, increasing the capital limits for residential care, targeted relief for small businesses, which would be pass-ported to those services, together with an additional £399k for homelessness prevention. In addition, whilst a number of gaps had been transferred into the final settlement, confirmation was still awaited on a proportion of those which would support the budget plan, and until such time as those had been announced an element of risk existed on the current plan.

The Executive Board Member - Resources referred to the validation costs within the strategy totalling £8.8m, and advised the most significant thereof related to the pay award offer for staff of 2% plus the bottom loading of the lower pay scales. If implemented, that would result in a bottom pay point of £8.68 from April 2018 (an increase of 8.98%) increasing to £9.18 in April 2019 (a further 5.76% increase) together with the introduction of a new pay spine from April 2019 consolidating some of the existing spinal points and “ironing out” some of the current random grants between pay points. It was noted, however, that the pay offer did not apply to teachers who were covered by a separate national pay arrangement set at 2% from September 2018.

The Executive Board Member – Resources also drew the Board’s attention to the Council’s current three year budget proposal, set in February 2017, which assumed no protection for schools for 2018/19. However, having regard to the need to support schools wherever possible, and as a consequence of additional funding received from the Welsh Government as part of the settlement, it had once again been possible to protect schools and not reduce their budgets, with the 2018/19 delegated budget being held at £108.7m. In addition, and to support schools further with the work being undertaken by the Transformation, Innovation and Change Team, it was proposed to establish a ‘Schools Development Fund’ to operate on an “invest to save” basis similar to the Council’s Development Fund.

The Executive Board Member - Resources advised that in light of the Authority having benefitted from a more positive settlement than originally anticipated and changes in validation together with an element of one-off funding, an opportunity had arisen for the initial proposed efficiencies to be reviewed in light of the consultation responses and to make some critical adjustments to the Strategy. As a result, the following amendments were proposed to be made to some of the report’s budget and efficiency proposals:-

- The proposed reduction of £50k in the budget for Inclusion services be removed;
- The proposal for the Care and Support Day Services be revisited resulting in a reduction in the proposed efficiencies of £50k for 2018/19 and a further £25k for 2019/20;
- The Respite Centre proposal be reviewed and the department give further consideration to service provision options resulting in a reversal in budget of £200k in 2018/19 and £200k in 2019/20;
- A schools Development Fund of £0.5m be established to support schools to look at invest to save projects thereby strengthening the opportunities for the Schools Efficiency Officer to work with the schools to identify effective alternative ways to deliver the service.

In concluding, the Executive Board Member recommended that the Council Tax increase for 2018/19 be set at 4.45% to enable the Council to deliver the strategy whilst having regard to the above amendments.

UNANIMOUSLY RESOLVED TO RECOMMEND TO COUNCIL:-

- 6.1 that the Budget Strategy for 2018/19, be approved subject to the amendments and proposals detailed above;**
- 6.2 that the Band D council Tax for 2018/19 be set at £1,196.60 (an increase of 4.45% for 2018-2019);**
- 6.3 That a School Development Fund of £0.5m be established from the “one-off” funding made available in 2018-19 and it be operated on a similar basis to the General Development Fund;**
- 6.4 That the allocation of the £148k one-off funding balance identified in paragraph 3.23 and the £77k identified in paragraph 7.1 of the report be utilised in full to support the proposed amendments and proposals detailed above;**
- 6.5 That the provisional medium term financial plan be approved as a basis for future years planning.**

7. FIVE YEAR CAPITAL PROGRAMME (COUNCIL FUND) - 2018/19 TO 2022/23

The Executive Board considered a report which brought together the latest proposals for the Five Year Capital Programme (Council Fund) 2018/19 to 2022/2023 taking into account the consultation exercise undertaken and the revenue implications arising from the capital programme.

The Board noted that the capital programme proposed gross expenditure for 2018/19 of £51.531m, with projected funding of £34.976m from the County Council through the use of borrowing, capital receipts, reserves and general capital grant and the balance of £16.735m coming from external sources. The Board was advised that the capital programme was projected to be fully funded over the first 3 years from 2018/19 through to 2020/21 and the final year of 2022/23. The fourth year, 2021/2022, showed a £1.5m shortfall which would be reviewed over the coming year.

The Executive Board Member – Resources informed the Board that, in total, the five year rolling programme would realise investment of nearly £200m (County Council funding estimated at £143m and £55m external funding) and the Authority,

as part of that programme, had included additional new projects important to the county, for example the Community Department's new schemes for Pembrey Country park, Carmarthen Museums Collection, Parc Howard and the continuation of support for private Sector Housing in 2022/23. The Environment Department would receive continued support for Highway Improvement, Bridge Maintenance and Road Safety Schemes into 2022/23. Coupled with that, as a consequence of additional Welsh Government Funding, the spend on roads refurbishment for 2018/19 would increase by an additional £2.2m

UNANIMOUSLY RESOLVED TO RECOMMEND TO COUNCIL THAT

- 7.1 the Five Year Capital Programme and funding, as detailed in Appendix B to the report, with 2018/19 being a hard budget and 2019/20 to 2022/23 soft/indicative budgets be approved;**
- 7.2 the 2021/22 budget be reviewed over the coming year in order to address the funding shortfall;**
- 7.3 the programme be reviewed, as usual, if anticipated External or, County Council funding did not materialise.**

8. HOUSING REVENUE ACCOUNT BUDGET 2018/19 TO 2020/21 AND HOUSING RENT SETTING FOR 2018/19

The Executive Board considered a report prepared by the Director of Corporate Services, in conjunction with officers from the Communities Department that brought together the latest proposals for the Revenue and Capital Budgets for the Housing Revenue Account 2018/19 to 2020/21. It was noted that the report had been considered, and endorsed, by the Community Scrutiny Committee at its meeting held on the 30th January 2018 as part of the budget consultation process.

The Executive Board Member – Resources advised that the report had been prepared reflecting the latest proposals contained in the Housing Revenue Account (HRA) Business Plan, being the primary financial planning tool for delivering the Carmarthenshire Homes Standard *Plus* (CHS+) for the future. It was noted that the proposed investment within the current business plan had delivered the CHS by 2015 (to those homes where tenants had agreed to have the work undertaken) provided investment to maintain the CHS+ and commenced investment for the Council's Affordable Housing Commitment.

The Executive Board Member – Resources advised that by the end of 2017/18 over £250m of capital had been invested to deliver the Carmarthenshire Homes Standard to date, and the current business plan proposed to invest £30m in maintaining and upgrading the stock over the next three years coupled with £26m to support the Affordable Housing Programme

The Executive Board Member- Resources reminded the Board that with regard to the setting of the Housing Rents, the Authority had previously adopted the Welsh Government Social Housing Rent Harmonisation Policy with the aim of progressing to the mid-point target rent. However, whilst that policy had not changed, the Welsh Government had indicated that due to a relatively high CPI of 3%, local authorities may wish to consider using a lower option for 2018/19. Having regard to the Welsh Government's indication, it was being proposed that the Authority set its rent at the lowest allowable level representing a 3.5% increase

plus £1.62 progression producing an average rent of £85.27 resulting in an increase of 4.34% or £3.55.

The Executive Board having considered the recommendations of the Carmarthenshire Homes Standard Steering group

UNANIMOUSLY RESOLVED TO RECOMMEND TO COUNCIL TO:-

- 8.1 increase the average housing rent as per the Welsh Government's Social Housing Rents Policy (low end target) i.e.:-**
- Properties at target rents to increase by 3.5%(CPI + 0.5%)
 - Properties where rent was below target rent to increase by 3.5% (CPI + 0.5%) plus a maximum progression of £1.62
 - Properties above target rent be frozen until such time as they met the target

thereby producing an average housing rent increase of 4.34% or £3.55, producing a sustainable Business Plan, which maintains CHS+ and resources the Affordable Homes Programme;

- 8.2 To implement the maximum progression of £1.62 for rents below target, until target rents were achieved;**
- 8.3 That garage rents be not increased for 2018/19 and be held at the same level as 2017/18 with the rents being set for garages at £9.00 per week and garage bases at £2.25 per week;**
- 8.4 Apply the service charge policy to ensure tenants who received the benefit from specific services paid for those services;**
- 8.5 Increase charges for using the Council's sewerage treatment works in line with the rent increase;**
- 8.6 Approve the proposed Capital Programme, and applicable funding, for 2018/19 and the indicative spends for future years 2018/19 to 2020/21, as set out in Appendix A to the report,**
- 8.7 Approve the Housing Revenue Account Budget for 2018/19 (with 2019/20 and 2020/21 being soft budgets), as set out in Appendix B to the report**

9. THE CARMARTHENSIRE HOMES STANDARD PLUS (CHS+) BUSINESS PLAN 2018-21

The Executive Board considered the Carmarthenshire Homes Standard Plus (CHS+) Business Plan 2018-2021 plan the purpose of which was to:

- explain the vision and detail of the Carmarthenshire Homes Standard Plus over the next three years, and what it meant for tenants;
- confirm the financial profile, based on current assumptions, for the delivery of CHS+ over the next three years; and
- produce a business plan for the annual application to Welsh Government for Major Repairs Allowance (MRA) for 2018/19 equating to £6.1m.

The Executive Board Member for Housing advised that if the report and its recommendations were to be adopted, it would result in some £56m being spent

over the next three years in maintaining and further improving the CHS+ (£30M) and delivering the Affordable Homes Plan (£26m) through a range of solutions including, new build.

UNANIMOUSLY RESOLVED TO RECOMMEND TO COUNCIL THAT:-

- 9.1 The vision of CHS+ and the financial and delivery programme over the next three years be confirmed;
- 9.2 the submission of the Plan to the Welsh Government be confirmed.

10. TREASURY MANAGEMENT POLICY AND STRATEGY 2018-19

The Executive Board was reminded that as part of the requirements of the revised CIPFA Code of Practice on Treasury Management, the Council had agreed to maintain a Treasury Management Policy detailing the policies and objectives of the Authority's treasury management activities and to also approve a Treasury Management Strategy annually before the start of the financial year to which it related. In addition, under the Local Government Act 2003, the Council was required to approve the Treasury Management Indicators for the coming year.

In accordance with the above requirements, the Executive Board considered the Council's Treasury Management Policy and Strategy for the 2018-19 financial year prior to its formal submission to the Council for final adoption.

UNANIMOUSLY RESOLVED TO RECOMMEND TO COUNCIL that:-

- 10.1 the Treasury Management Policy and Strategy for 2018-19 and the recommendations contained therein be approved,
- 10.2 the Treasury Management Indicators, Prudential Indicators, Minimum Revenue Provision Statement and recommendations therein be approved.

CHAIR

DATE