

# COMMUNITY SCRUTINY COMMITTEE

Tuesday, 30 January 2018

**PRESENT:** Councillor S.L. Davies (Chair)

**Councillors:**

D.M. Cundy, C.A. Davies, W.R.A. Davies, J.A. Davies (In place of H.B. Shepardson), W.T. Evans (In place of H.L. Davies), J.K. Howell, B.W. Jones, H.I. Jones, S. Matthews, B.A.L. Roberts, G.B. Thomas and A.Vaughan Owen

**Also in attendance:**

Councillor L.D. Evans, Executive Board Member for Housing

**The following Officers were in attendance:**

C. Moore, Director of Corporate Services  
R. Staines, Head of Homes and Safer Communities  
I. Jones, Head of Leisure  
J. Davies, Senior Cultural Services Manager  
K. Thomas, Democratic Services Officer

**Chamber & Ante Room, Spilman Street, Carmarthen - 3 Spilman Street, Carmarthen  
- 10.00 am - 12.10 pm**

**1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors H. Davies and H. Shepardson.

**2. DECLARATIONS OF PERSONAL INTERESTS**

Councillor	Minute Number	Nature of Interest
S. Matthews	5 – Housing Revenue Account Budget and Housing Rent Setting for 2018/19	Resident in Council Sheltered Housing

**3. DECLARATION OF PROHIBITED PARTY WHIPS**

There were no declarations of prohibited party whips.

**4. PUBLIC QUESTIONS (NONE RECEIVED)**

No public questions had been received.

**5. HOUSING REVENUE ACCOUNT BUDGET AND HOUSING RENT SETTING FOR 2018/19**

The Committee considered the Housing Revenue Account (HRA) Budget and Housing Rent Setting for 2018/19, being presented as part of the budget consultation process and brought together the latest proposals contained in the revenue and capital budgets for the Housing Revenue Account 2018/19 to be presented to the Executive Board and Council for determination.

The Director of Corporate Services advised that the report had been prepared reflecting the latest proposals contained within the Housing Revenue Account Business Plan, being the primary financial planning tool for delivering the Carmarthenshire Homes Standard *Plus* (CHS+) for the future. The proposed investment within the current business plan delivered the CHS by 2015 (to those homes where the tenants agreed to have work undertaken) provided investment to maintain CHS+ and continued investment for the Authority's Affordable Homes Commitment.

The Director of Corporate Services reminded the Committee that with regard to the setting of the Housing Rents, the Authority had previously adopted the Welsh Government's Social Housing Rent Harmonisation Policy with the aim of progressing to the mid-point target rent. For 2018/19, the Welsh Government had notified local authorities that the increase in target rent would be the Consumer Price Index (CPI) of 3% plus 1.5% totalling 4.5%, and for those below the target rent, a maximum of £2 per week increase would be applied until the target rent was reached, equating to an average increase of 5.49% for the Council's tenants. However, whilst that policy had not changed, the Welsh Government had taken the unusual step of informing local authorities that due to a relatively high CPI of 3%, they may wish to consider using a lower option for 2018/19.

Having regard to the Welsh Government's indication, and recognising the squeeze on household budgets as wage increases had not kept pace with rising price inflation, it was being proposed that the Council's rent increase for 2018/19 be minimised as far as possible, utilising the flexibility outlined by the Welsh Government, whilst still complying with its policy target rent band. If the Council was to endorse that proposal, it would result in its rent being set at the lowest allowable level representing a 3.5% increase for all tenants, with a reduced maximum progression of £1.62, producing an average rent of £85.27 representing an increase of 4.34% or £3.55.

The Director of Corporate Services advised that if the Committee was minded to endorse the report's recommendations to the Executive Board and Council, it should note that unlike in previous years when rents for garage / garage bases had been increased, the current budget strategy did not include any proposals for their increase in 2018/19.

The following issues were raised in relation to the report:-

- Clarification was sought on whether proposed 3.5% average increase for all tenants, with some paying in excess of that, could result in the lowest paid facing the higher payments.

The Director of Corporate Services advised there was no correlation between the two and the proposed increase was not linked to affordability.

- In response to a question on the council's policy for the provision of affordable housing and the use of Section 106 Planning Agreements, the Director of Corporate Services reminded the Committee of the policy for the delivery of additional social housing within Carmarthenshire via various means including, the proposals for the establishment of a council owned arms-length local Housing Company. Those proposals also included for the purchase of private homes for rent or constructing new properties.

The Head of Homes and Safer Communities endorsed the Director's comments and advised that to date the Authority had purchased 70 privately owned properties which had then become available for rent. The establishment of the Local Housing Company would also provide the Council with alternative options for the delivery of affordable homes be that via homes for rent or new build. With regard to the use of a Section 106 Agreement, that related to planning legislation requiring a housing developer to ensure a certain percentage of homes constructed on a site were affordable or that they paid a commuted sum to the authority in lieu of that provision, which could then be used to facilitate the purchase of homes for rent.

**UNANIMOUSLY RESOLVED that the report and the following proposals be endorsed for submission to the Executive Board:-**

- 5.1 to 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, as supported by the Carmarthenshire Home Standards Steering Group;**

- 5.2 To implement the maximum progression of £1.62 for rents below target, until target rents were achieved;**
- 5.3 To apply the service charge policy to ensure tenants who received the benefit from specific services paid for those services;**
- 5.4 To increase charges for using the Council's sewerage treatment works in line with the rent increase;**

## **6. THE CARMARTHENSHIRE HOMES STANDARD PLUS (CHS+) BUSINESS PLAN 2018-21**

The Committee received for consideration the Carmarthenshire Homes Standards Plus (CHS+) Business Plan 2018-21 the purpose of which was threefold. Firstly, it explained the vision and detail of the CHS+ over the next three years and what it meant for tenants. Secondly, it confirmed the financial profile, based on current assumptions for delivery of the CHS+ over the next three years and, thirdly, produced a business plan for the annual application to the Welsh Government for Major Repairs Allowance (MRA) for 2018/19 equating to £6.1m.

The Following questions/issues were raised on the report:

- Clarification was sought on the level of support to be provided to tenants under the following bullet point “Focus on providing more advice and support to tenants in managing their monthly budgets. We will deliver a range of support and services to help tenants cope with the cultural change of Universal Credit, and mitigate the impact as much as we are able”.

The Head of Homes and Safer Communities reminded the Committee that the Council had recognised the possibility some of its tenants could, over the next 18 months, face financial difficulties as a consequence of the introduction of Universal Credit. As a result, measures had been introduced to try to mitigate its impact on tenants which included for example:

- working with the benefits agency and the Council’s benefits team to target those tenants having the biggest potential to suffer financial difficulty.
- Introduction of pre-tenancy discussions to ensure prospective tenants were prepared for taking on a tenancy
- Adoption of a Universal Credit Action Plan
- Investment in software to identify and target those tenants most at risk and to provide them with appropriate levels of assistance.

The Head of Homes and Safer Communities advised that whilst the Council had recognised and introduced various measures to help tenants affected by Universal Credit, one area beyond its control was the approach the private sector may adopt with the possibility some landlords may not accept tenants in receipt of universal credit. One potential area to combat that was the possibility of the Council managing private sector homes on behalf of landlords.

The Council had also reflected the above concerns within the Business Plan.

- Reference was made to the statement within the report of the proposed establishment of the local housing company to deliver a mix of new affordable homes for sale or rent. Clarification was sought on that statement which conflicted with existing council policy of not selling council homes.

The Head of Homes and Safer Communities confirmed the council’s policy prevented the sale of any of its current 9,000+ properties, and that had not changed. The above statement referred to the establishment of the local housing company as a vehicle to facilitate the construction of good quality housing within Carmarthenshire via a variety of means/tenure to enable local people to access the housing ladder and could, for example, include homes for sale, rent, sharehold, leasehold and rent to buy.

The Head of Homes and Safer Communities in response to a number of questions on the proposed establishment of the local housing company, reminded the Committee of the comprehensive debate undertaken at its meeting held on the 24<sup>th</sup> November 2017 (minute 5 refers) where a wide range of issues were raised in relation thereto including governance arrangements, borrowing capability and the appointment of company directors. He also re-iterated the primary reasoning behind the company’s establishment was to increase the supply of much needed additional

homes, whilst also creating jobs, training and apprenticeship opportunities, supporting the supply chain and delivering the Council's regeneration ambitions.

- In response to a question on the proposal within the report to bring back over 160 empty homes into use, the Head of Homes and Safer Communities advised that the target was considered deliverable and would involve the department liaising with private owners, on a case by case basis, to secure improvements to their properties thereby returning them to habitable use either for sale or rent.
- Clarification was sought on the reason for the increased provision in the business plan for bad debt from £494k in 2018/19 to £784k by 2020/2.

The Head of Homes and Safer Communities reminded the Committee of the earlier debate in relation to the potential for tenants to suffer financial difficulty as a consequence of the introduction of Universal Credit. Having regard to that potential it was considered prudent to make proper provision within the Business Plan to cater for an increased level of bad debt.

The Director of Corporate Services advised that the Council, in recognising the potential for debt levels to increase as a result of the roll out of Universal Credit, had increased its debt provision within the Business Plan in accordance with good accounting practice. To date, the Council was managing to contain debt levels to within its provision by working with tenants to manage their financial affairs. Currently, the level of bad debt was approximately £300k which, whilst not insignificant, was small in comparison to the £39m of annual rental income.

- The Director of Corporate Services in response to a question on the reports implications of delivering the CHS+ and its potential for posing a significant financial challenge and risk to the County Council, advised that as the business plan was set over a 30 year period it could be susceptible to a number of vagaries over that time frame. For example, interest rate rises or a decision by the Welsh Government to cease payment of the Major Repairs Allowance of £6.1m per annum. Currently some £230m of borrowing had been incurred to achieve the CHS, £120m of which had been funded through the prudential borrowing programme and management of that debt was a key factor for the Council.

The Head of Homes and Safer Communities advised that whilst it was doubtful a single event could severely impact on the plan's viability, it was considered any impact would more likely to be cumulative involving many different factors for example, withdrawal of the Major Repairs Allowance, increase in interest rates, increased bad debt and reduced rental levels.

- Reference was made to the £30m of investment to be made to the CHS+ over the next three years and clarification sought on whether local members would be consulted over any investment within their wards.

The Head of Homes and Safer Communities reminded the Committee that as part of the initial major investment under the CHS, local members were consulted on the works to be undertaken within their wards. As that major investment had now concluded, with the emphasis having moved to the future maintenance of the housing stock, it was opportune to consider how local members could be involved/informed of any works being undertaken

within their wards. The committee was assured consideration would be given to the involvement of local members in future maintenance arrangements within their wards.

- Reference was made to the identification within the report of the Council's approach to Fire Management and to whether the Council's residential homes/complexes had fire sprinklers installed and tilt and turn windows for ease of escape.

The Head of Homes and Safer Communities confirmed that whilst sprinklers were not installed in the Council's residential homes, as they were staffed 24 hours a day, they were installed in those council properties constructed post 2001. However, as a consequence of recent national and local fire incidents, the department had revisited its fire management plan to ensure all processes were in place. A report on general fire safety, linking in with members concerns on sprinklers and tilt and turn windows, could be presented to a future meeting of the committee.

- In response to a question on the pricing of affordable homes, the Head of Homes and Safer Communities advised that related directly to the ability to pay, and was generally applied to 3.5 times the household income. With regard to the affordability of rented properties, that was linked to the Local Housing Allowance.
- Clarification was sought on whether the report's reference of undertaking in-depth visits to tenants' homes was linked with creating good communities.

The Head of Homes and Safer Communities confirmed the proposal related to engaging with tenants and local members to obtain their views on what they wished to be provided within their communities, and to provide an element of funding for environment works with the aim of generating and promoting community resilience. The more that balance was achieved via housing, the less reliance there would be on demands for health and social care provision. It was envisaged the visits would commence within the next three to six months.

- The Head of Homes and Safer Communities in response to a question on those homes not improved under the CHS, at the tenants' request, reminded the committee that it was current council policy to respect tenants' wishes and not undertake improvements works to their properties if that was their wish. Approximately 6% of the Councils' housing stock fell within that category, and the time may be opportune for the council to consider whether it wished to revisit its policy.

## **UNANIMOUSLY RESOLVED:-**

### **6.1 THAT IT BE RECOMMENDED TO THE EXECUTIVE BOARD THAT:**

- **The vision of the CHS+ and the financial delivery programme over the next three years be confirmed**
- **The submission of the plan to the Welsh Government be confirmed**

### **6.2 That a report on general fire safety, incorporating the issues raised in relation to the installation of sprinklers and tilt and turn windows, be submitted to a future meeting of the committee**

**6.3 That a report on the Council Policy of allowing tenants to refuse to have improvement works undertaken to their properties be submitted to a future meeting of the Committee**

**7. WELSH PUBLIC LIBRARY STANDARDS 2017**

The Committee received a report on the Carmarthenshire Library Service's Annual Assessment 2016/17. It was noted that the Public Libraries and Museums Act 1964 placed a Statutory Duty on all Public Library Authorities 'to provide a comprehensive and efficient library service' and on Welsh Ministers 'to superintend and promote the improvement' of public library services in Wales. In accordance with that requirement, the Welsh Government had completed its assessment of Carmarthenshire's Library Services Annual Return for 2016/17 with Carmarthenshire meeting all 18 core entitlements in full. Additionally, of the seven quality indicators which had targets, Carmarthenshire had achieved six in full with one having been partially met. That related to staffing levels as at the 31<sup>st</sup> March 2017 where the service had 5 vacancies within its establishment, however, those were being addressed.

The following issues were raised during consideration of the report:-

- In response to a statement made relating to issues surrounding the introduction of the new mobile library fleet, the Senior Cultural Services Manager advised that the service was bedding in following the fleet's introduction. A review was currently being undertaken on its operation with a view to introducing appropriate amendments which, could include the frequency of visits to various communities and the siting of the vehicles to achieve the best broadband service.

**UNANIMOUSLY RESOLVED that the report be received.**

**8. STAFF SICKNESS LEVELS**

Further to minute 8 of its meeting held on the 5<sup>th</sup> October, 2017 the Committee received the minutes of the meeting of the Policy and Resources Committee held on the 6<sup>th</sup> December relating to its concerns on the reported increase in staff sickness levels within the Authority. Those minutes also recorded that that Committee, at the same meeting, had considered a report on sickness management detailing sickness absence figures for the 2<sup>nd</sup> quarter together along with benchmarking and performance ranking tables and a breakdown of the key causes for absence.

The Head of Leisure confirmed that managers were regularly challenged on how they managed sickness levels and the increased costs associated therewith, which included working closely with the Council's Human Resources Division.

**UNANIMOUSLY RESOLVED that the report be received.**

**9. FORTHCOMING ITEMS**

The Committee received a list of forthcoming items to be considered at its next meeting to be held on the 29<sup>th</sup> March, 2018. Reference was made to the Head of Homes and Safer Communities earlier comments in Minute 6 on the adoption by

the Authority of a Universal Credit Action Plan and a suggestion made that a copy thereof be submitted to the next meeting of the Committee.

**UNANIMOUSLY RESOLVED that the list of forthcoming items for the meeting of the Committee to be held on the 29<sup>th</sup> March 2018 be received subject to the inclusion of the Universal Credit Action Plan.**

**10. EXPLANATION FOR NON-SUBMISSION OF SCRUTINY REPORT**

The Committee considered the explanations provided for the non-submission of two reports.

**UNANIMOUSLY RESOLVED that the non-submission report be received.**

**11. MINUTES - 24TH NOVEMBER, 2017**

**UNANIMOUSLY RESOLVED that the minutes of the meeting of the Committee held on the 24<sup>th</sup> November, 2017 be signed as a correct record.**

**12. MINUTES - 14TH DECEMBER, 2017**

Reference was made to Minute 7 of the above meeting relating to the Chief Executive's Departmental Business Plan 2018/19 – 2021 and to the Director of Regeneration and Policy's statement on the promotion of the Welsh Language on development sites. A view was expressed that the minute should be expanded upon by incorporating the additional paragraph

'The Director acknowledged that Carmarthenshire County Council could do more to encouraging private sector to become bilingual and reflect the language of the county and she was committed to ensuring all departments collaborated closely and worked with external organisations to promote and increase the use of Welsh Language within Carmarthenshire's private sector'.

**UNANIMOUSLY RESOLVED that the minutes of the meeting of the Committee held on the 14<sup>th</sup> December, 2017 be signed as a correct record subject to the above amendment.**

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**CHAIR**

\_\_\_\_\_  
**DATE**