

COUNTY COUNCIL

WEDNESDAY, 21 FEBRUARY 2018

PRESENT: Councillor H.I. Jones (Chair)

Councillors:

S.M. Allen	L.R. Bowen	K.V. Broom	J.M. Charles
D.M. Cundy	S.A. Curry	C.A. Davies	T.A.J. Davies
G. Davies	H.L. Davies	I.W. Davies	J.A. Davies
S.L. Davies	W.R.A. Davies	E. Dole	J.S. Edmunds
P.M. Edwards	D.C. Evans	H.A.L. Evans	L.D. Evans
W.T. Evans	A.L. Fox	S.J.G. Gilasbey	C.J. Harris
P. Hughes-Griffiths	A.D. Harries	T.M. Higgins	J.K. Howell
P.M. Hughes	A. James	J.D. James	R. James
D.M. Jenkins	G.H. John	C. Jones	B.W. Jones
D. Jones	G.R. Jones	T.J. Jones	A. Lenny
M.J.A. Lewis	K. Lloyd	K. Madge	A.S.J. McPherson
E. Morgan	A.G. Morgan	D. Nicholas	B.D.J. Phillips
J.S. Phillips	J.G. Prosser	B.A.L. Roberts	H.B. Shepardson
A.D.T. Speake	L.M. Stephens	B. Thomas	D. Thomas
E.G. Thomas	G.B. Thomas	G. Thomas	J. Tremlett
A.Vaughan Owen	D.T. Williams	D.E. Williams	J.E. Williams

Also Present:

M. James, Chief Executive
C. Moore, Director of Corporate Services
G. Morgans, Director of Education & Children's Services
Mrs R. Mullen, Director of Environment
W. Walters, Director of Regeneration & Policy
L.R. Jones, Head of Administration and Law
P.R. Thomas, Assistant Chief Executive (People Management & Performance)
O. Bowen, Head of Financial Services
M.S. Davies, Democratic Services Officer

Chamber, County Hall, Carmarthen - County Hall, Carmarthen - 10.00 am - 12.20 pm

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors C. Campbell, A. Davies, R. Evans, S. Matthews, S. Najmi, D. Price and E. Schiavone.

2. DECLARATIONS OF PERSONAL INTERESTS

Councillor	Minute number	Nature of Interest
H.A.L. Evans	8 - Housing Revenue Account Budget 2018/19 to 2020/21 and Housing Rent Setting for 2018/19;	Sister is Chief Executive of Bro Myrddin Housing Association;

K. Madge	6 - Revenue Budget Strategy 2018/19 to 2020/21;	His daughter works in social care;
A. McPherson	6 - Revenue Budget Strategy 2018/19 to 2020/21;	Chair of Mental Health Charity.

3. ANNOUNCEMENTS

The Chief Executive referred to the impending retirement of Mr. Ken Evans, County Hall Gateman, and added that a presentation would be made to Mr. Evans later that day to mark the occasion.

4. PUBLIC QUESTIONS

The Chair advised that no public questions had been received.

5. QUESTIONS BY MEMBERS

The Chair advised that no questions by members had been received.

6. EXECUTIVE BOARD RECOMMENDATION - REVENUE BUDGET STRATEGY 2018/19 TO 2020/21

Council was informed that the Executive Board, at its meeting held on the 5th February, 2018 (minute 5 refers) had considered the Revenue Budget Strategy 2018/19 to 2020/21 and had made a number of recommendations, as detailed within the report of the Director of Corporate Services, for consideration by Council.

Council received a presentation by the Executive Board Member for Resources, on behalf of the Executive Board, in which he set out the background to the budget proposals being presented for Council's consideration.

He advised that the final settlement received from Welsh Government on the 20th December 2017 had been more favourable and supportive of Local Government than originally anticipated which meant that it had been possible to revisit some of the proposals within the original Budget and consider further options, including taking account of the latest pay offer. However, Welsh Government had only been able to provide figures at Authority level for one year, which was a restriction in terms of medium term forecasting within the Medium Term Financial plan.

He highlighted some of the salient points of the settlement the full details of which were referred to in the circulated report. On an all Wales basis the funding for Local Government had increased by 0.2%, with Carmarthenshire in line with the average. The final settlement had given the Authority a further £1.48m on the provisional settlement. This had come with extra responsibility, however, which included the increasing of capital limits for residential care and targeted relief support for small businesses, and these would be pass ported to those services. The settlement had also included an additional £399k for homelessness prevention.

He advised that one of the most significant validations on the budget this year related to the pay award offer made by the negotiating body for employers, which gave a 2% pay award plus the bottom loading of the lower pay scales. For Carmarthenshire County Council, this resulted 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 increase of 5.76%. The pay offer did not apply to teachers who were covered by separate national pay arrangements which had been provided at 2% from September 2018.

Reference was made to the Authority's politically balanced Pay Policy Advisory Panel and one of the recommendations of that panel, which would be presented to County Council for consideration on the 7th March 2018, would be to pay a low pay supplement to staff currently on spinal point 9 and 10, so that these staff received the equivalent of £8.75, which was the recommended Foundation Living Wage (outside of London). In addition, although the pay negotiations were still ongoing, it was being recommended that the 2% pay increase to all non-teaching staff from 1 April 2018 be implemented in advance of final agreement being reached.

The Executive Board Member commented that although the three year budget strategy proposals adopted in February 2017 had assumed no schools protection for 2018-19, Executive Board colleagues had been very conscious of the need to support schools wherever possible whilst balancing the impact on the other departments. As a consequence of the additional support Welsh Government had provided as part of the settlement it had been possible, once again, to protect schools and not reduce their budgets and schools delegated budget for next year would be held at £108.7m. To support schools further it was proposed to establish a 'schools development fund' which would operate on a similar basis to the Council's development fund. This would give schools direct access to an 'invest to save fund' and enable them to have up front funding for cost efficiency projects.

The Executive Board Member also referred to the widespread consultation undertaken on the budget which had provided significant feedback on the original proposals put forward. Accordingly, he recommended that in finalising the budget the following adjustments be made to the Budget Strategy, which took account of the consultation process and responded to the feedback from the proposals that were not supported and had a negative average index score:

- the reduction in budget of £50k that was proposed for Inclusion Services be removed. This proposal had a negative index score of -0.78 and was the least supported proposal;
- That the Care and Support Day Services proposal be revisited - this would reduce the efficiencies proposed by £50k in 2018/19 and £25k 2019/20;
- In response to the concerns from service users the Respite Centre proposal be reviewed and the department be asked to give further consideration to the service provision options. This would mean a reversal in budget of £200k in both 2018/19 and 2019/20;
- That the proposed Schools development fund be set at £0.5m. This would critically strengthen the opportunities for the Schools Efficiency officer to work with all schools identifying effective ways to deliver the service.

Adopting these proposals would, he considered, present a fair and balanced budget to County Council, which responded to the major concerns fed back from the consultation. In conclusion, he thanked the public for responding so positively to the consultation and commended the hard work of the Chief Executive, Director of Corporate Services and all officers involved in the budget process for their

efforts in helping to sustain the Council's performance and delivery of services at reasonable cost to the taxpayer. He thereupon moved the recommendations of the Executive Board in respect of the Budget Strategy 2018/19, the Council Tax increase of 4.45% and approval of the medium term financial plan as a basis for the future years financial planning. The proposal was duly seconded.

Following a debate it was

RESOLVED

6.1 that the Budget Strategy for 2018/19 subject to the following amendments:-

- **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;**

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;

6.6 that a 2% pay increase be paid to all non-teaching staff from 1st April 2018. This in advance of conclusion of national pay agreements. Any adjustments in light of those final agreements to be made subsequently.

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

Council was informed that the Executive Board, at its meeting held on the 5th February, 2018 (minute 7 refers), had considered the Five Year Capital Programme 2018/19 to 2022/23 and had made a number of recommendations, as detailed within the report of the Director of Corporate Services, for consideration by Council.

Council received a presentation by the Executive Board Member for Resources, on behalf of the Executive Board, on the Five Year Capital Programme which was aligned to the current Corporate Strategy and supported the Authority's strategic priorities and aspirations. He advised that the capital programme anticipated an

estimated spend in excess of £200m over the 5 years and was aimed at delivering against strategic priorities and aspirations for the County.

He informed Council that funding for this programme was currently estimated at £143m with a further £55m coming from external grant funding bodies. Whilst the Welsh Government Cabinet Secretary had provided an indication of future year's revenue settlements, this was not available for capital beyond 2018/19, and therefore the programme, in line with other councils' assumptions, was based on future years supported borrowing and general grant being of the same level as 2018/19. He added that many of the investments, such as 21st Century Schools programme, Highways, Regeneration and Housing, would be familiar to Councillors, but it had been possible to add investment into schemes which were considered to be important for the County. New funding had been allocated within the Communities Department for Pembrey Country Park, Carmarthen Museums Collections and Parc Howard and the continuation of support for the private Sector Housing in 2022/23. Within the Environment Department there was continued support for Highways Improvements, Bridge maintenance and Road safety schemes into 2022/23 and, as a consequence of additional Welsh Government Funding, spend on 'roads refurbishment' next year had been increased by a further £2.2m.

Members were informed that officers would continue to monitor individual schemes and funding availability. Whilst both would need to be closely managed to ensure the schemes were delivered in full, the current programme was fully funded with the exception of a £1.5million shortfall in year 4. He thereupon moved the recommendations of the Executive Board in respect of the Five Year Capital Programme (Council Fund) and its proposed funding, as detailed in the report. The proposal was duly seconded.

Following a debate it was

UNANIMOUSLY RESOLVED that the following recommendations of the Executive Board be adopted:-

7.1 that 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 that the programme be reviewed, as usual, if anticipated External or, County Council funding did not materialise.

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

[NOTE: Councillor H.A.L. Evans had previously declared an interest in this item.]

Council was informed that the Executive Board, at its meeting held on the 5th February, 2018 (minute 8 refers), had considered the Housing Revenue Account Budget 2018/19 to 2020/21 and Housing Rent Setting for 2018/19 and had made a number of recommendations, as detailed within the report of the Group Accountant, for consideration by Council.

Council received a presentation by the Executive Board Member for Resources, on behalf of the Executive Board, on the Revenue and Capital Budget proposals for the Housing Revenue Account for 2018 to 2021 reflecting the Authority's aims within the 30 year Business Plan which was the primary financial planning tool for delivery of the Carmarthenshire Homes Standard Plus (CHS+) and the Affordable Housing Strategy.

The Executive Board Member advised that the capital investment of £231m within the current business plan had delivered the CHS+ for tenants and the further budget going forward had been developed to ensure appropriate funding was allocated to maintain the CHS+ standard for all the Council's properties into the future. Over the next 3 years it was anticipated that in the region of £30m would be spent maintaining and upgrading housing stock. The budget also provided funding of some £26m over the next 3 years to support the Affordable Housing Strategy which would see an increase in the supply of affordable housing throughout the county through various solutions including the new build programme and the buyback scheme.

The Executive Board Member explained that since 2015 the Authority had been required to adopt the Welsh Government Social Housing Rent Harmonisation Policy, which effectively meant the proposed rent increase before members was prescribed by Welsh Government guidance. Whilst the policy had not changed, Welsh Government had indicated that, due to CPI being relatively high at 3%, Local Authorities may wish to consider using a lower option this year. It was considered that applying the policy as in previous years for 2018/19 at 4.5% rent increase plus £2 progression would produce an average rent of £86.21, an increase of 5.49%, which would be unacceptable and unfair for tenants. Accordingly it was proposed to set the rent at the lowest allowable level.

The Executive Board Member commented that the proposed rent increase sought, as far as possible, to recognise the squeeze on household budgets as wage increases had not kept pace with rising price inflation. The above principles would reduce the burden on all tenants from 4.5% to 3.5% average increase and limit the progression towards target rent to £1.62 compared with the maximum permissible of £2. This was the lowest permissible average increase compliant with the current Welsh Government policy. Based on applying the above, for 2018/19 at 3.5% rent increase plus £1.62 progression this would produce an average rent of £85.27 which was an increase of 4.34% or £3.55. The Executive Board Member stated that it was difficult to balance the impact of the rent increase on the tenants against the need to set the rent in line with Welsh Government policy, whilst ensuring that the Authority could continue to produce a sustainable business plan to take the CHS plus and Affordable Housing Strategy forward.

In moving the recommendations within the report, he advised that the proposals had been supported by the Community Scrutiny Committee at its meeting held on 30th January, 2018.

Following a debate it was

RESOLVED that the following recommendations of the Executive Board be adopted:-

8.1 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;

- 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 to apply the service charge policy to ensure tenants who received the benefit from specific services paid for those services;**
- 8.5 to Increase charges for using the Council's sewerage treatment works in line with the rent increase;**
- 8.6 to 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 to 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. EXECUTIVE BOARD RECOMMENDATION -THE CARMARTHENSHIRE HOMES STANDARD PLUS (CHS+) BUSINESS PLAN 2018-21

Council was informed that the Executive Board, at its meeting held on the 5th February, 2018 (minute 9 refers) considered the Carmarthenshire Homes Standard Plus (CHS+) Business Plan 2018-21, 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 presented the report and 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.

RESOLVED that the following recommendations of the Executive Board be adopted:-

- 9.1 That the vision of the Carmarthenshire Homes Standard Plus (CHS+) and the financial and delivery programme over the**

- next three years be confirmed;
- 9.2 That the submission of the Plan to the Welsh Government be confirmed.**

10. EXECUTIVE BOARD RECOMMENDATION -TREASURY MANAGEMENT POLICY AND STRATEGY 2018-19

Council was informed that the Executive Board, at its meeting held on 5th February, 2018 (minute 10 refers) considered the Treasury Management Policy and Strategy 2018/19.

The Executive Board Member advised Council that in line with the requirements of the revised CIPFA Code of Practice on Treasury Management, the Council must maintain a Treasury Management Policy detailing the policies and objectives of the Authority's treasury management activities and also approve a Treasury Management Strategy annually before the start of the financial year to which it relates. 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, Council considered the Treasury Management Policy and Strategy for the 2018/19 financial.

UNANIMOUSLY RESOLVED that the following recommendations of the Executive Board be adopted:-

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

11. EXECUTIVE BOARD- 5TH FEBRUARY 2018

UNANIMOUSLY RESOLVED that the report of the above meeting be received.

CHAIR

DATE