

COMMUNITY SCRUTINY COMMITTEE

Wednesday, 5 February 2020

PRESENT: Councillor G.B. Thomas (Chair)

Councillors:

C.A. Davies, W.R.A. Davies, H.L. Davies, D.C. Evans, R.E. Evans, S.J.G. Gilasbey, B.W. Jones, H.I. Jones, K. Lloyd (In place of S. Matthews), H.B. Shepardson and A.D.T. Speake

Also in attendance:

Councillor E. Dole, Leader of the Council
L.D. Evans, Executive Board Member for Housing
D.M. Jenkins, Executive Board Member for Resources
Councillor A.G. Morgan

The following Officers were in attendance:

C. Moore, Director of Corporate Services
J. Morgan, Head of Homes & Safer Communities
J. Fearn, Head of Property
A Bowen, Investment and Income Manager
S. Williams, Senior Accountant
K. Thomas, Democratic Services Officer

Chamber, County Hall, Carmarthen, SA31 1JP - 10.00 - 11.20 am

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors F. Akhtar and S. Matthews.

2. DECLARATIONS OF PERSONAL INTERESTS INCLUDING ANY PARTY WHIPS ISSUED IN RELATION TO ANY AGENDA ITEM

There were no declarations of prohibited party whips.

The following declaration of interest was made

Councillor	Minute Number	Nature of Interest
K. Lloyd	5 – The Carmarthenshire Homes Standard Plus (CHS+) Business Plan 2020-23	Shareholder in Carmarthenshire Energy (had dispensation from the Standards Committee to speak but not vote)

3. PUBLIC QUESTIONS (NONE RECEIVED)

No public questions had been received.

4. HOUSING REVENUE ACCOUNT BUDGET AND HOUSING RENT SETTING FOR 2020/21

The Committee considered the Housing Revenue Account (HRA) Budget and Housing Rent Setting for 2020/21, being presented as part of the budget

consultation process that brought together the latest proposals contained in the revenue and capital budgets for the Housing Revenue Account 2020/23 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 and maintaining 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, on the 24th February 2015, adopted the Welsh Government's Social Housing Rent Policy for the four year period ending in 2018/19. For 2019/20, the Welsh Government had provided an interim policy while it awaited the results of the Affordable Housing Supply Review. Following that review, the Welsh Government had decided to retain the policy for a further 5 year period from 2020/21 – 2024/25 with some additional/amended requirements with the annual rent uplift for the revised period being CPI (Consumer Price Index) plus 1%, using the level of CPI from September of the previous year. In applying that policy for 2020/21 the Welsh Government had notified local authorities in December 2019 that the increase in target rent would equate to CPI of 1.7% plus 1% totalling 2.7%, and for those below the target rent, a maximum of £2 per week increase could be applied until the target rent was reached. However the total rent envelope would increase by a maximum of 2.7% (£2.36) from £87.41 to £89.77.

The Director of Corporate Services advised that if the Committee was to endorse the budget proposals the 2020/21 Housing Revenue Account would have an expenditure level of £50.1m with the capital programme being £34.7m for 2020/21, £35.2m for 2021/22 and £31.4m for 2022/23

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

- The Director of Corporate Services confirmed the use of CPI in calculating rent increases was set by the Welsh Government and local authorities had no discretion in varying that to apply the Retail Price Index in lieu.
- In response to a question on the introduction of Universal Credit and its impact on rent arrears, the Head of Homes and Safer Communities advised there had only been a slight increase in rent arrears overall, which was lower than had been expected and compared favourably with other social housing providers. To date, 1200 tenants had transferred to Universal Credit, with a further 4,000 anticipated over the next four years. He confirmed the authority did not implement its arrears policy for any tenants falling into arrears during the transition period to Universal Credit, in view of the fact the initial payment could take up to five weeks. The Director of Corporate Services referred to the transfer of benefit claimants to Universal Credit and advised that pensioners were exempted from the legislation and would continue to receive their existing benefits.
- In response to a question on the level of rental income for the Council's garages stock, the committee was advised that it equated to approximately £125k per annum. The Council had approximately 160 garage sites and

each of those was being evaluated to assess their future best options which could include repairs, demolition and conversion to parking spaces and disposal.

- With regard to a question on the current void loss of 2.7% the Head of Homes and Safer Communities advised that performance was similar to other local authority and social housing providers. Whilst the top performers were achieving 1.6%, that was mainly achieved by social housing providers whose stock was younger than local authorities.

He advised although the authority had a number of long term voids, it had set aside funding to address those. Once brought back into use, it was anticipated void losses would reduce.

The Head of Property in response to the difficulties previously reported to the Committee on the capacity of external contractors to undertake void works, confirmed discussions had been initiated with contractors to increase their capacity to undertake the works. He also advised on the existing and new contractor frameworks that involved awarding works in packages of between 10 and 20 properties. Those properties could either be confined to one region or spread throughout the county. The time period for completing a package depended on the level of works required.

- The Acting Investment and Income Manager referred to the Welsh Government's requirement for local authorities to build homes near carbon zero and to decarbonise its existing stock. She advised that whilst the Council's new build properties would be highly efficient, the council's existing stock of over 9,500 properties would require a range of options to reduce their carbon footprint. In that regard, the authority, in conjunction with Cardiff University was evaluating a sample model of six properties with differing tenant ranges in terms of age and occupancy levels to assess their lifestyles and energy usage. The results of that model would help inform future policy to improve stock performance.

UNANIMOUSLY RESOLVED THAT IT BE RECOMMENDED TO THE EXECUTIVE BOARD/COUNCIL:-

- 4.1 to increase the average housing rent as per the Welsh Government's Social Housing Rents Policy i.e.:-**
- **Properties at target rents to increase by 2.53%**
 - **Properties where rent was below target rent to increase by 2.53% plus a maximum progression of £1 per week**
 - **Properties above target rent be frozen until such time as they met the target**

thereby producing an average housing rent increase of 2.7% (CPI + 1%) or £2.36, producing a sustainable Business Plan, maintains CHS+ and resourcing the Affordable Homes Programme, as supported by the Carmarthenshire Home Standards Steering Group;

- 4.2 To maintain garage rents at £9.00 per week and garage bases at £2.25 per week**

- 4.3 To implement a maximum progression of £1, for rents below target rent, until target rents were achieved.
- 4.4 To apply the service charge policy to ensure tenants who received the benefit from specific services paid for those services
- 4.5 To increase charges for using the Council's sewerage treatment works in line with the rent increase.

5. THE CARMARTHENSHIRE HOMES STANDARD PLUS (CHS+) BUSINESS PLAN 2020-23

(NOTE: Councillor K. Lloyd having earlier declared an interest in this item participated in the debate but did not vote thereon in accordance with the conditions of his dispensation granted by the Council's Standards Committee)

The Committee received for consideration the Carmarthenshire Homes Standards Plus (CHS+) Business Plan 2020-23 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 2020/21 equating to £6.1m.

The Committee noted the Plan also highlighted the importance of the Council supporting its tenants and residents in everything it did with the following three key themes having been identified in terms of future investment proposals:-

- Theme 1 – Supporting Tenants and Residents;
- Theme 2 – Investing in our Homes' and the Environment – including development of a Carmarthenshire Decarbonisation Homes Model
- Theme 3 - Providing more homes

The Following questions/issues were raised on the report:

- Reference was made to the Council's proposals to spend nearly £52m over the next three years in building more homes linking in with regeneration and focussing on proposed developments in the Tyisha Ward, the Wellness Village, Town Centre and key rural towns. Having regard to the Council's recent launch of its 'Ten Towns' Initiative, clarification was sought on how the new homes build programme would link in with that initiative.

The Head of Homes and Safer Communities confirmed future house building programmes would align with that initiative. The first building phase, as referenced above, had been developed on the basis of land availability.

- Reference was made to the development of Carmarthenshire's decarbonisation model and clarification sought on what influence the Council had on social and private landlords to decarbonise their properties.

The Head of Homes advised that in relation to Social Landlords that could be addressed by a number of means including the Welsh Government by way of conditioning its Major Repairs Allowance and by the Council in the allocation of the Social Housing Grant. The position for encouraging private landlords to undertake such works would be more difficult. However the

authority may be in a position to offer some incentives via its social letting policy etc. The Welsh Government could also legislate requiring private landlords to undertake decarbonisation works.

- A question was raised on the Council's Radon Testing Programme and the Head of Property confirmed that whilst non statutory, it was being undertaken in terms of best practice as a social landlord and on health and safety for its tenants. He advised that private house owners would be directed to appropriate bodies to advise on testing their properties.
- Reference was made to the standard of build for new homes and the Committee was advised that was governed by Building Regulations Legislation. Whilst that legislation set a minimum standard in terms of safety requirements, house builders could exceed those standards.

The Head of Homes and Safer Communities advised that in relation to the Council's new build programme, all homes would be constructed to meet Design Quality Requirements and would be similar in size to properties built in the 1960's. Work was also being undertaken on developing a Carmarthenshire Standard for new Homes which would be reported to Council for adoption in due course.

The Head of Property confirmed monitoring the quality of the council's build programme is undertaken by property staff and performance arrangements within the contractor framework would be used to monitor appointed contractors. The Council's standards for new build were higher than those set by the Welsh Government and it was seeking to design and construct homes for the long term ensuring their longevity.

- With regard to the proposal within the Plan to plant a minimum of 1,000 trees to offset the carbon footprint of building 1,000 new homes the Investment and Income Manager advised those may not necessarily be planted in Carmarthenshire, as the Council could offset that provision by commissioning tree planting in other areas/countries. A full site appraisal would however be undertaken to inform the best method of tree planting, be that on site or elsewhere.

RESOLVED THAT IT BE RECOMMENDED TO THE EXECUTIVE BOARD/COUNCIL TO:-

- 6.1 Confirm the vision of the CHS+ and the financial delivery programme over the next three years**
- 6.2 Confirm the plan's submission to the Welsh Government for the 2020/21 Major Repairs Allowance Application**
- 6.3 Note the intention to develop a new Carmarthenshire Standard by continuing to move towards carbon neutral homes, both existing and new, ensuring new supply chain, jobs and training opportunities were delivered.**

6. FORTHCOMING ITEMS

The Committee considered a list of forthcoming items to be considered at its next scheduled meeting to be held in April 2020.

UNANIMOUSLY RESOLVED that the list of forthcoming items for the committee meeting scheduled to be held in April 2020 be agreed.

CHAIR

DATE