

CABINET

Monday, 21 February 2022

PRESENT: Councillor E. Dole (Chair)

Councillors:

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

Also in attendance:

Councillors D.M. Cundy and J.S. Edmunds

The following Officers were in attendance:

W. Walters, Chief Executive

C. Moore, Director of Corporate Services

P.R. Thomas, Assistant Chief Executive (People Management & Performance)

G. Morgans, Director of Education & Children's Services

J. Morgan, Head of Homes & Safer Communities

L.R. Jones, Head of Administration and Law

A. Williams, Head of Waste and Environmental Services

N. Daniel, Head of ICT and Corporate Policy

D. Hockenull, Marketing and Media Manager

S. Rees, Simultaneous Translator

L. Jenkins, Cabinet Support Officer

K. Thomas, Democratic Services Officer

M. Withey, Member Support Officer

E. Bryer, Democratic Services Officer

Virtual Meeting - 10.00 am - 11.18 am

1. APOLOGIES FOR ABSENCE

There were no apologies for absence.

The Leader of the Council referred to the severe adverse weather experienced across Carmarthenshire recently with wind and heavy rainfall causing damage to homes, businesses and highways. He commented on the plans put in place by the Council, and partner agencies, in anticipation of the disruption and praised all council and agency staff for their efforts in responding to the situation. Numerous incidences of damage were reported including road closures, building damage and reductions in services. Leisure centres, libraries, museums, country parks, and theatres were closed, but the majority had reopened.

On behalf of the Cabinet, the Leader thanked officers and contractors who had worked around the clock to clear roads, restore power, and support the vulnerable members of the community.

2. DECLARATIONS OF PERSONAL INTEREST

Councillor / Officer	Minute Number	Nature of Interest
Cllr C.A Davies	6 – Five Year Capital Programme (Council Fund) - 2022/23 To 2026/27.	The Tywi Valley Cycle Path passes through their farm land.
Cllr H.A.L Evans	7 – Housing Revenue Account Budget 2022/23 to 2024/25 Revenue and Capital and Housing Rent Setting for 2022/23. 8 – Housing Revenue Account Business Plan 2022-25 - Carmarthenshire Housing Investment Programme.	Sister is the Chief Executive of a Housing Association.
Cllr. L.D Evans	10 - Model Teachers' Pay Policy 2021/22.	Daughter is a teacher.
Cllr. P. Hughes Griffiths	10 - Model Teachers' Pay Policy 2021/22.	Daughter is a teacher.
Noelwyn Daniel	10 - Model Teachers' Pay Policy 2021/22.	Sister-in-law is a teacher.

3. QUESTIONS ON NOTICE BY MEMBERS

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

4. PUBLIC QUESTIONS ON NOTICE

The Chair advised that no public questions had been received.

5. REVENUE BUDGET STRATEGY 2022/23 TO 2024/25

The Cabinet considered a report providing the latest proposals for the Revenue Budget Strategy for 2022/23 and the following two financial years.

The report summarised the latest budgetary position and provided an update on the budget validation, spending pressures, the Welsh Government final settlement and the responses received to the budget consultation.

The Cabinet Member for Resources outlined a number of factors influencing the budget, including the fact the final settlement from Welsh Government would not be received until the 1st March 2022. Whilst having regard to the late announcement of the final settlement, he advised that key components of the budget assumptions and allocations had been reviewed and had provided some increased headroom to enable the authority to revisit some of the original budget proposals.

The Cabinet Member for Resources advised that full details of the provisional settlement, included within the report, detailed that Local Government funding on

an all-Wales basis had increased by an average of 9.4% on the 2021/22 settlement, with Carmarthenshire's allocation being 9.2% (£311.597m).

Although that settlement had enabled the authority to allocate funding in its budget for a significant amount of inflationary and unavoidable pressures, it still required savings to be made.

The initial draft budget plans had included a contingency sum of £3.5m in respect of ongoing costs and lost commercial revenues. This sum was retained in the final budget and it was stressed that this remained the largest risk to the budgets going forward.

The Cabinet Member referred to the final settlement from Welsh Government, due to be announced on the 1st March 2022, and advised that the report sought authority for the Director of Corporate Services in liaison with the Leader, Chief Executive and the Cabinet Member for Resources to make any necessary adjustments to the Budget Strategy prior to County Council on the 2nd March 2022. It was noted that the Director of Corporate Services had however, made some adjustments to some of the other figures within the report, as part of the normal routine as clearer information had become available, with current total validation adding some £16.2m to the budget.

The Cabinet Member for resources advised that the budget maintained the pay assumption of 4% allowance for next year for both NJC as well as teaching staff, and this remained the most significant validation included within the assumptions. This was in line with general expectations and acknowledged that inflation was escalating well above 5%.

It was noted that changes to some of the key assumptions such as energy price increases, and the release of last years economic development capital contribution provided scope to make some changes with the following highlighted:

- An additional £50k to fund additional capacity in the public rights of way section,
- £190k additional funding for school meal costs following a recent notification of supplier price increases.

The Cabinet Member for Resources reminded the Cabinet that based on the provisional budget settlement, there was some scope to make changes to the strategy, and it had previously agreed to reduce the Council tax increase for 2022/23 to 2.50%, thereby providing a sum of £1,795k to respond to the budget consultation. He therefore proposed the following savings:-

- removal of the proposed £15k reduction to 3rd sector grants,
- removal of the £95k staffing reduction to ICT,
- halt the plans introducing charges to additional car parks.

The Cabinet Member advised that having proposed the above changes, sufficient funding was available to cap the council tax increase to 2.50% for 2022/23. Those proposals, if adopted, would present a fair and balanced budget to the Council.

UNANIMOUSLY RESOLVED THAT IT BE RECOMMENDED TO COUNCIL:-

5.1 That the Budget Strategy for 2022/23, be approved;

- 5.2 That the Band D Council Tax for 2022/23 be set at £1,396.04 (an increase of 2.50% for 2022/23);
- 5.3 The removal of specific savings proposals as identified in paragraph 3.2.5 of the report and detailed above;
- 5.4 That the budget amendments as summarised in paragraph 4.1.4 of the report taking into account the range of responses received during the consultation process and the additional pressures as identified in the report be approved;
- 5.5 That the provisional Medium Term Financial Plan be approved as a basis for future years financial planning;
- 5.6 That the Director of Corporate Services, in consultation with the Chief Executive, Leader and Cabinet Member for Resources, be delegated authority to make any amendment necessary as a consequence of the Welsh Government final settlement due on the 1st March 2022.

6. FIVE YEAR CAPITAL PROGRAMME (COUNCIL FUND) - 2022/23 TO 2026/27

[NOTE: Councillor C.A. Davies had earlier declared an interest in this item.]

The Cabinet considered a report which brought together the latest proposals for the Five-Year Capital Programme (Council Fund) 2022/23 to 2026/2027 taking into account the consultation exercise undertaken and the revenue implications arising from the capital programme.

The new programme would see £275m of investment over five years. The programme would be supported by funding from Welsh Government, the UK Government, and the council's own resources. The Cabinet Member for Resources advised that the programme included two new transformational projects. The first, a £19.6m hub at the heart of Carmarthen Town Centre and the second being a £19m investment to complete the Tywi Valley Path between Carmarthen and Llandeilo. As part of the project, £366k would be available to upgrade parking provision. £16m of additional funding would be made available for Zone 1 of the Pentre Awel development in Llanelli, bringing the total investment on the project to £87m.

Cabinet was advised that in addition to the above there was continued support for the following:

- £2.5m for Disability Facilities Grants
- £250k to improve Road Safety
- £600k for ongoing Highway Refurbishment
- £400k for Public Lighting
- £3m for Capital Maintenance for investment in property estate.

The creation of a new annual award of £250k starting in 2022/23 for highway drainage infrastructure would help make the highway network more resilient to future weather events and reduce flood risks. 2026/27 also saw the proposed continuation of the £66k annual allocation to Rights of Ways and Byways.

The Cabinet Member for Resources advised that further investments would be made across the programme:

- Education would see funds made available to complete the replacement bus bays at Ysgol Dyffryn Taf, and the introduction of a £500k annual award for general education works.
- Communities would be provided with a Disability Facilities Grants with an uplifted 2025/26 investment by £500k to £2.5m per annum, bringing the total investment over the 5 years to £10.5m. Within the leisure portfolio an uplift of £1m in funding was proposed for the upgrade of the 3G pitch at Amman Valley Leisure Centre bringing the total funding available for the project to £2m.
- In Environment, £150k across 2022/23 and 2023/24 to match fund flood management and flood mitigation works was planned. £4.7m for the replacement of refuse and recycling vehicles, together with an additional £1m from reserves as the Authority's match funding contribution to the Waste Strategy which would see the rollout of kerbside sorting for recycling collections.

Cabinet was advised that to mitigate for the lack of Welsh Government support specifically for investment in highways the programme included £2.4m of new money funded from the council's reserves. This would be in addition to the £600k in the annual rolling programme. The Cabinet Member for Resources confirmed that £1.3m of unhypothecated general capital funding that had been made available to the Authority late in the current financial year 2021-22 had also been earmarked for highway improvements. Taken together this was the biggest single investment of £4.3m in local highway infrastructure by the Council in recent years.

An estimated award of £1.34m funding from Welsh Government from 2023/24 onwards was anticipated to fund decarbonisation projects and therefore included in the programme. However, given that this funding would not be available until the second year of the programme it was proposed to provide £500k from council reserves in 2022/23 to kickstart decarbonisation measures across the built estate.

£2.7m allocated for Information Communication Technology (ICT) across the programme would be maintained, including annual funding of £200k to support digital transformational projects across council services.

As part of this year's settlement Welsh Government provided indicative general capital funding figures up to 2024/25. Funding for years four and five of the programme was based on an assumed level of support equivalent to that received in 2024/25 going forward. It was noted that Welsh Government funding for 2022/23 was £1.8m less than that received in 2021/22 which was unexpected. Given the significant investments in years 1 and 2 of the programme and the reduced capital settlement from Welsh Government it was proposed to make use of unsupported borrowing, short-term, to prevent what would otherwise be a shortfall in funding at the start of the programme. This would be repaid in years 3, 4 and 5 of the programme.

The Cabinet Member advised that Appendix A to the report detailed the full programme, which was fully funded for the five years.

Cabinet noted that Appendix C was the council's Capital Strategy document, which was required by the prudential code of capital finance. This document set out the long-term context in which capital expenditure and investment decisions

were made and gave due consideration to both risk and reward and the impact on achievement of priority outcomes.

UNANIMOUSLY RESOLVED TO RECOMMEND TO COUNCIL THAT:-

- 6.1 The Five-Year Capital Programme and its funding detailed in Appendix A to the report with 2022/23 being a hard budget and 2023/24 to 2026/27 soft/indicative budgets be approved;**
- 6.2 The programme be reviewed, as usual, if anticipated external or County Council funding did not materialise;**
- 6.3 The Capital Strategy, as detailed in Appendix C be approved;**
- 6.4 The Director of Corporate Services, in consultation with the Chief Executive, Leader and Cabinet Member for Resources be delegated authority to make any adjustments necessary as a consequence of the Welsh Governments final settlement due on the 1st March 2022.**

7. HOUSING REVENUE ACCOUNT BUDGET 2022/23 TO 2024/25 REVENUE AND CAPITAL AND HOUSING RENT SETTING FOR 2022/23

[NOTE: Councillor H.A.L. Evans having earlier declared an interest in this item left the meeting during its consideration]

The Cabinet considered a report that brought together the latest proposals for the Revenue and Capital Budgets for the Housing Revenue Account 2022/23 to 2024/25. It was noted the report had been considered, and endorsed, by the Community Scrutiny Committee at its meeting held on the 31st January 2022 as part of the budget consultation process.

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 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 continued investment for the Housing Regeneration and Development Delivery Plan.

The Cabinet Member for Resources advised that capital investment in the region of £231m had delivered the Carmarthenshire Home Standard for tenants and more recently, up to the end of this financial year a further £83m had been spent on maintaining the CHS+ home standard for properties and tenants. Over the next 3 years a further £64m was expected to be spent in maintaining and upgrading the housing stock.

The budget also provided funding of some £56m over the next 3 years to maintain the CHS+ and £56m to support the Affordable Homes Programme.

The Cabinet was reminded that since 2015 the Authority had been required to adopt the Welsh Government Policy for Social Housing Rent Harmonisation, meaning that the proposed rent increase was prescribed by Welsh Government guidance and provided an equitable distribution of the rents for the social sector tenants. While that policy ended in 2018/19, and an interim policy applied for

2019/20 the Welsh Government had subsequently developed a new policy for implementation in 2020/21 to apply for a period of 5 years from 2020/21 and contained some additional/amended requirements, as detailed within the report. The main elements of that policy allowed Local Authorities to uplift the total rent envelope by the Consumer Price Index (CPI) +1% for each of the five years to 2024/25. It also allowed for the level of rent for individual tenants to rise by up to an additional £2 over and above CPI +1% for rent harmonisation, on condition that total rental income collected by the social landlord increased by no more than CPI +1%.

The Cabinet was advised that setting the rent within the current Government policy, recognised the need to set the rent at an affordable level for tenants, delivering on the aspirations and trying to ensure the previous commitment to tenants of implementing the harmonisation policy and establishing a fairer rent level for all tenants was a fine balance to achieve.

In responding to all the priorities and balancing the business plan, the rent increase at an overall increase of 2.9%, would produce an average rent of £94.26 for tenants.

Included within the overall rent increase envelope it was proposed that the Authority continues with the rent progression set at a maximum of £1 for properties below target rent.

This would produce an increase on the average housing rent of £2.66 per week, which is below the Welsh Government maximum increase level and would produce a rent level which would be one of the lowest rent levels set across the eleven housing stock retaining Welsh Authorities.

UNANIMOUSLY RESOLVED TO RECOMMEND TO COUNCIL:

- 7.1 To increase the average housing rent as per the Welsh Government's Social Housing Rents Policy:-**
- a) Properties at target rents to increase by 2.74%**
 - b) Properties where rent was below target rent, rent to increase by 2.74% plus a maximum progression of £1.00**
 - c) Those rents above target rent be frozen until such time as they met the target**
 - d) This will produce an increase on the average housing rent of 2.9% or £2.66 per week**

Thereby producing a sustainable Business Plan, maintain CHS+, resource our Housing Regeneration and Development Delivery Plan and was supported by the Housing and Regeneration Strategic Team.

- 7.2 To implement a maximum progression of £1.00 for rents below target, until target rents were achieved;**
- 7.3 To maintain garage rents at £9.00 per week and garage bases at £2.25 per week;**
- 7.4 To apply the service charge policy to ensure tenants who received the benefit from specific services paid for those services;**
- 7.5 To increase charges for using the Council's sewerage**

- treatment works in line with the rent increases;
- 7.6 To approve the Housing Revenue Account Budget for 2022/23 (with 2023/24 and 2024/25 being soft budgets) as set out in Appendix A to the report;
- 7.7 To approve the proposed Capital Programme and applicable funding for 2022/23 and the indicative spends for 2023/24 to 2024/25, as set out in Appendix B to the report.

8. HOUSING REVENUE ACCOUNT BUSINESS PLAN 2022-25 - CARMARTHENSHIRE HOUSING INVESTMENT PROGRAMME

[NOTE: Councillor H.A.L. Evans having earlier declared an interest in this item left the meeting during its consideration]

The Cabinet considered the Housing Revenue Account Business Plan 2022-25 - Carmarthenshire Housing Investment Programme the purpose of which was to:

- Explain the vision and detail of the housing investment programme over the next three years, including housing stock improvement plans, the new build programme, plans to become net zero carbon and what this meant for tenants.
- To confirm the income received from tenants and other funding sources afforded a capital programme of £120m over the next three years to:
 - Improve and maintain the existing stock
 - Support the delivery of over 2,000 new homes in communities
 - Support the Councils Net Zero Carbon Principles, creating energy efficient homes, minimising carbon emissions and promoting affordable warmth for tenants
 - Help stimulate economic growth and recovery following the Covid 19 pandemic
 - Help build strong sustainable communities – places where people are proud to call home
- To confirm the financial profile, based on current assumptions, for the delivery of housing investment programme and Council new build over the next three years
- Produce a business plan for the annual application to Welsh Government for Major Repairs Allowance (MRA) grant for 2022/23, equating to £6.2m.

The Cabinet Member for Housing advised the report was divided into the following five key themes aimed at driving the business forward for the next three years:-

1. Theme 1 – Supporting Tenants and Residents;
2. Theme 2 – Investing in Homes and Surrounding Areas;
3. Theme 3 – Providing More Homes
4. Theme 4 – Decarbonisation of Housing Stock
5. Theme 5 – The Local Economy, Community Benefits & Procurement

UNANIMOUSLY RESOLVED TO RECOMMEND TO COUNCIL THAT:-

- 8.1 The vision of the housing investment programmes over the next three years be confirmed;
- 8.2 The 2022/23 Business Plan be submitted to the Welsh Government;

- 8.3 The contribution the Plan makes to the Housing Regeneration and Development Delivery Plan in supporting the delivery of over 2000 homes be noted.**
- 8.4 The principles behind moving towards net carbon homes and developing a Decarbonisation and Affordable Warmth Strategy to support that be noted;**
- 8.5 The importance of the investment included in the plan and its role in stimulating the local economy and recovery from the Covid 19 pandemic be noted.**

9. TREASURY MANAGEMENT POLICY AND STRATEGY 2022-23

The Cabinet 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 Cabinet considered the Council's Treasury Management Policy and Strategy for the 2022-23 financial year prior to its formal submission to the Council for final adoption.

UNANIMOUSLY RESOLVED TO RECOMMEND TO COUNCIL THAT:-

- 9.1 The Treasury Management Policy and Strategy for 2022-23 and the recommendations contained therein be approved.**
- 9.2 The Treasury Management Indicators, Prudential Indicators, Minimum Revenue Provision Statement, the Investment Strategy and recommendations therein be approved.**

10. MODEL TEACHERS' PAY POLICY 2021/22

[NOTE: Councillors L.D. Evans and P. Hughes Griffiths having earlier declared an interest in this item left the meeting during its consideration. Noelwyn Daniel also declared an interest and left the meeting]

The Cabinet considered the Model Teachers' Pay Policy which had been updated to reflect September 2021 pay award as detailed in the School Teachers' Pay and Conditions (Wales) Document 2019.

The Cabinet was reminded that all schools were required to adopt a pay policy that set out the basis on which it determined Teachers' pay and the date by which it would determine the Teachers' annual pay review and also establish procedures for addressing Teachers' grievances in relation to their pay. This School Teachers Pay and Conditions (STPCD) document is updated each year which could lead to amendments in the Model Pay Policy offered to schools. The revised model Pay Policy had been updated to reflect September 2021 pay award as detailed in the School Teachers Pay and Conditions (Wales) Document 2021; and to clarify the position of the five-point Main Pay scale, and the relationship between performance and pay progression across all pay scales. The Policy also took into account of the impact of the extra bank holiday to celebrate the Queen's Platinum

Jubilee in 2022, on the 2021/22 academic year, which meant that Teachers must be available to work for 194 days / 1258.5 hours instead of the usual 195 days / 1265 hours of directed time.

UNANIMOUSLY RESOLVED to endorse the Model Teacher's Pay Policy 2021/22 prior to circulation to Schools for formal adoption by their Governing Bodies.

11. **ANY OTHER ITEMS OF BUSINESS THAT BY REASONS OF SPECIAL CIRCUMSTANCES THE CHAIR DECIDES SHOULD BE CONSIDERED AS A MATTER OF URGENCY PURSUANT TO SECTION 100B(4)(B) OF THE LOCAL GOVERNMENT ACT, 1972.**

The Chair advised that there were no items of urgent business.

CHAIR

DATE