

## HOMES AND SAFE COMMUNITIES COMMITTEE

Minutes of a meeting held on 5<sup>th</sup> December, 2018.

Present: Councillor Mrs. C.A. Cave (Chairman); Councillor S.J. Griffiths (Vice-Chairman); Councillors Ms. B.E. Brooks, Mrs. S.M. Hanks and M.R. Wilson.

Also present: Mrs. G. Doyle, Mr. A. Raybould and Ms. H. Smith (Tenant Working Group Representatives), Ms. D. Murphy (Cardiff and the Vale Citizens Advice) and Mr. G. Bury (Wales Audit Office).

### 539 ANNOUNCEMENT -

The Chairman was sorry to inform Committee that Mr. William Hennessey had offered his resignation from the Committee with immediate effect and advised that a letter of thanks would be sent to Mr. Hennessey in the near future. Further information regarding a replacement Tenant Working Group Representative would be provided to the Committee after the next Working Group meeting later in December 2018.

### 540 APOLOGIES FOR ABSENCE -

These were received from Councillors B.T. Gray, M.J.G Morgan, Mrs. M.R. Wilkinson and Ms. M. Wright.

### 541 MINUTES -

RECOMMENDED - T H A T the minutes of the meeting held on 10<sup>th</sup> October, 2018 be approved as a correct record.

### 542 DECLARATIONS OF INTEREST -

No declarations were received.

### 543 WALES AUDIT OFFICE REPORT: VALE OF GLAMORGAN WELSH HOUSING QUALITY STANDARD (WHQS) REVIEW INCLUDING COUNCIL HOUSING TENANTS PERSPECTIVE (DEH) -

The Chairman invited Mr. Gwilym Bury from the Wales Audit Office to present the report, the purpose of which was to bring to the attention of the Scrutiny Committee, the findings of the relevant review undertaken by the Wales Audit Office as part of the Council's Annual Audit Plan for 2016/17.

Mr. Bury advised that the review took place during the summer of 2017 and involved all 22 Local Authorities in Wales. The purpose of the review was to ascertain how

Local Authorities were listening and reacting to the views of its local residents with a particular focus on the Welsh Housing Quality Standard for Council tenants. A telephone survey of just over 300 Council tenants was undertaken by the Wales Audit Office in May 2018 asking for their views following WHQS works undertaken on their properties. This equated to 8% of the Vale of Glamorgan's Council tenants. Audit Officers also spoke to Local Authority Officers, Tenant Working Group Representatives and Elected Members as part of the review.

Mr Bury drew the committee's attention to the Review generated by the Wales Audit Office at Appendix 1 of the report that was the Review Report and detailed the findings that were generally positive. The report findings concluded that overall 'the Council had met the Welsh Housing Quality Standard with effective arrangements for tenant engagement, and most tenants were satisfied with the quality of their home.' The Wales Audit Office report made two proposals for improvement:

- The Council should evaluate how effective the process is for tenants to report housing repairs via the Customer Contact Centre (C1V).
- The Council should work with tenants to review its approach to assisting people experiencing problems with condensation and damp.

In conclusion, Mr. Bury added that the proposals for improvement were made to ensure that the Local Authority looked into the causes of damp and condensation in its properties and looked into a more specialist telephone service/system which could be more cost effective and allow the Council to resolve customer queries more quickly.

Following Mr Bury's presentation, the Head of Building Services welcomed the report and advised that the findings were in line with the results of the STAR survey undertaken previously by the Local Authority. With regards to the two proposals for improvement, the Officer advised that the Local Authority was already looking to generate an online website tool for Council tenants to log enquiries online which would in turn take pressure off from the C1V centre. Therefore, Housing and Building Services Officers were working closely with their colleagues in C1V to provide expert information in preparation for future enquiries.

With regards to issues of damp and condensation, the Officer advised that the Council was aware of a number of calls on the issue and had therefore undertaken research to inform future action planning. Since July 2018, 236 'pre-inspections' had been requested with 46 relating specifically to damp and condensation. Following analysis of the figures, 26 of the 46 were due to requests relating to condensation and in some of the instances the property was treated for mould. However, in 10 out of the 26 no evidence of damp or building related defects were identified. The Officer added that out of the 46 requesting action, 20 were found to be instances of damp from water leaks or minor roof leaks.

In conclusion, the Head of Building Services advised that the Local Authority was looking to employ two Stock Condition Surveyors to proactively survey the Councils 4,000 properties over a next five year rolling programme which, in turn, would increase the Council's ability to identify issues relating to damp and condensation at

an earlier stage. The Officer also wished to thank Mr. Bury and staff from the Wales Audit Office for their co-operation and partnership working during the review.

A Member thanked both presenters for the good review report and queried whether Council tenanted properties were inspected prior to the WHQS works undertaken, as was her understanding, and therefore questioned why issues caused by damp and/or condensation were not picked up prior to the survey. The Head of Building Services advised Council properties were surveyed previously although; the earlier surveys did not cover every Council property. Some of the issues identified as part of the WAO review were found after external WHQS improvements had taken place to the properties. The Officer also wished to add that there was general confusion over the criteria for damp. It was also fair to say that since the Local Authority had increase insulation within its housing stock the Council was seeing an increase in black spot mould due to extract ventilation not being correctly used in some properties.

In response to the Officer's advice, the Member asked if residents were advised to keep their homes ventilated after improvement works were undertaken. The Officer advised that residents were provided with verbal advice as well as an informative leaflet on condensation. However, officers had noticed an increase in residents choosing not to open trickle vents or run extract ventilators in their property due to fear over the cost of heating the property and avoiding drafts. The Officer wished to add that if an issue regarding damp had been identified within the building then it was actioned upon as soon as possible.

A Member wished to raise the following points following the Wales Audit Office proposals for improvement:

- There was currently a ground floor ventilation issue at the St. Lukes estate, Penarth, due to external vents being blocked by overgrowth outside of the property and therefore suggested that the Council more regularly check that the vents were clear to avoid instances of damp within the properties.
- It was important to note that although cavity insulation made a property warmer, which benefitted the resident(s) however, within multi-storey buildings there was not adequate drying facilities outside of the property to dry clothes and therefore moisture from freshly washed clothes was generated in the property when drying indoors and as a Council it would be beneficial to be more proactive regarding external drying facilities.
- A recommendation in the Wales Audit Office report referred to training for C1V staff but it was essential that the training be provided to the same members of staff so they developed an expert knowledge to answer any queries. The Member supported the idea of a specialist contact centre and digital access to services however, stated that the Local Authority needed to consider the online access and capability Council tenants had.

In response to the Member's points the Operational Manager for Building Services advised that energy efficiency was a current concern for the Local Authority due to the evidence of climate change and since the WHQS works being achieved the Council's focus was now moving on to carbon reduction. As mentioned earlier in the meeting, the Local Authority was looking to employ officers to survey properties on a rolling five year programme where damp and condensation issues could be identified

earlier. Finally, the Repairs Inspection Officers based in the Housing and Building Services section were regularly in attendance at the C1V centre to provide expert advice however, they were not in a position to do this all the time due to their job also requiring them to be visiting tenant properties in person. If an enquiry was received via the C1V contact centre regarding damp or condensation, it was automatically logged as a 'pre-inspection' which was raised with the relevant inspectors.

The Chairman thanked the Head of Building Services and Mr. Bury for their presentation of the report and requested that if the educational leaflet provided to Council tenants regarding prevention of damp and condensation was not on the public website that it be made readily available as soon as possible so that members may refer tenants to the leaflet as a proactive measure to halt the increase in instances of damp. The Head of Building Services advised that if the leaflet was not already available on the website then it would be uploaded as soon as possible and shared with Members of the Committee following the meeting.

#### RECOMMENDED -

- (1) T H A T the content of the report and WAO proposals for improvement be noted.
- (2) T H A T the proposals for improvement be addressed as part of the Service Planning process for 2019/20 and also incorporated within the Council Insight Tracker for monitoring.
- (3) T H A T the report be referred to the Audit Committee and thereafter to Cabinet for their consideration incorporating any comments of the Committee.

#### Reason for recommendations

(1-3) To ensure Members had the opportunity to scrutinise and review the Wales Audit Office proposals for improvement.

#### 544 YOUTH JUSTICE PLAN 2018-2020 (DSS) -

The Youth Offending Service (YOS) Manager presented the report to update the Committee regarding the Vale of Glamorgan Youth Justice Plan 2018/20.

The Officer began by advising that section 40 of the 1998 Act placed a duty on the Local Authority to produce an annual Youth Justice Plan, in consultation with its statutory partners. The Plan confirmed how youth justice services were to be provided and funded, how the teams were established, composed and funded, what functions they were to carry out and how they would operate. The Plan was submitted to the Youth Justice Board (YJB) and published in accordance with directions of the Secretary of State. This duty was one of the requirements of the terms and conditions of the Youth Justice Grant.

The format of the Youth Justice Plan was determined by the YJB and it had to address the following areas:-

- structure and governance;
- resources and value for money;
- partnership arrangements; and
- risks to future delivery.

The Plan also had to demonstrate how the grant was being used exclusively for the delivery of youth justice services and achieving value for money. The Officer added that it included performance information, which was validated quarterly and annually by the YJB. Again, this was a requirement of the terms and conditions of grant as it indicated compliance with the YJB Data Recording Guidance.

The Vale of Glamorgan Youth Justice Plan 2018/20 was attached at Appendix 1 to the Officer's report and provided an overview in relation to governance and service delivery arrangements and incorporated the YOS response to HM Probation Inspectorate's thematic inspection reports published during 2017/18.

The YOS Manager advised that there had been no significant changes to the structure or operational functions of the YOS, or the corporate environment within which it operated. There had however been capacity issues experienced by the service during 2018 which had impacted on the service's ability to progress a range of actions from the 2017/18 Youth Justice Plan and that these actions had been incorporated into the 2018/20 Plan.

In addition there was continued national uncertainty about the future of youth justice services and their funding arrangements. Following a Youth Justice Review in 2015/16, the UK Government was now in the process of implementing some of the recommendations within the report with a focus on reviewing the governance and performance standards of the Youth Justice System, reviewing how Police dealt with children, the operation of the Court system and the use of Youth Custody. Welsh Government which had devolved responsibility for Social Services, Health, Education in Wales, but not Policing or Justice had commissioned the development of a Youth Justice Blueprint for Wales. One of the aims of which was to align devolved and non-devolved services through a shared vision, values and approach which underpinned the design and delivery of services. This document was anticipated to be available by the end of 2018 and was likely to influence future Youth Justice Plans.

A Member drew the Committee's attention to page 9 of the Youth Justice Plan and the reference to the Youth Offending Service Education Welfare Officer post and noted that the post description seemed very limited and therefore queried what else would be involved in the person's role. The YOS Manager advised that the role of the Education Welfare Officer within the YOS was slightly different to that in a mainstream school. The Officer was required to record the type of provision and level of attendance to inform YOS key performance indicators; deal with attendance issues; provide information and advice to children and parents regarding education.

**RECOMMENDED - T H A T** the Youth Justice Plan attached at Appendix 1 to the report be noted.

Reason for recommendation

To meet the statutory requirements of grant terms and conditions provided by the Youth Justice Board (YJB) for England and Wales, to achieve continuing improvements in the performance of the Youth Offending Service (YOS) and to ensure that Members can exercise oversight of this key area of work for the Council.

545 HOUSING ASSET MANAGEMENT STRATEGY (REF) -

The Head of Building Services advised that the reference had been made to the Committee to seek Members' views prior to the reference and report being returned to Cabinet. The recommendations of the Cabinet report were:

- “(1) T H A T the new Housing Asset Management Strategy attached at Appendix A to the report be endorsed as a draft document suitable for consultation.
- (2) T H A T the Housing Asset Management Strategy be referred to the Homes and Safe Communities Scrutiny Committee for consideration.
- (3) T H A T following the referral to the Homes and Safe Communities Scrutiny Committee in Resolution (2) above, any comments be considered and incorporated into the draft document as appropriate and the revised draft document be presented to Cabinet prior to tenant consultation.
- (4) T H A T consultation on the draft document be undertaken with Housing tenants and tenant and residents groups.
- (5) T H A T the Housing Asset Management Strategy be referred back to Cabinet for finalising upon receiving the views of the public consultation.

Reason for decisions

- (1) To ensure the Council had a cohesive Strategy directing available resources for the Council's housing stock; ensuring appropriate investment decisions.
- (2) To provide an opportunity for Scrutiny to make any comments.
- (3) To develop the draft Strategy document prior to tenant consultation.
- (4) To allow service users to contribute and shape the Strategy prior to adoption.
- (5) To agree the final document prior to adoption.”

The Officer advised that with the introduction of the Welsh Housing Quality Standards the Housing Investment Programme had been predominantly focused on investing in tenants homes and neighbourhoods, which directly contributed to the Standard. Having now achieved the WHQS Standard, the Draft Housing Asset Management Strategy sought to set out the Council's forward vision for investment in

the housing stock and included the development of new homes to meet the needs of both current and future tenants.

The Housing Management Strategy was an overarching statement of objectives, goals, issues, processes and action priorities for the next five years with the comprehensive Strategy linked to all relevant legislation, the Council's Corporate Planning documents and the 30 year HRA Business Plan. The strategy also took account of external influences on housing and housing demand.

Once agreed, the actions within the Strategy would be embedded into the Council's Corporate Performance Management Framework and the Strategy would be subject to review throughout its five year term.

The Officer added that staff had been working closely with Welsh Government to target the reduction in carbon emissions and although the Strategy did not set out expenditure involved it was necessary to establish the Local Authority's direction on matters going forward.

A Member referred to the supplementary document tabled at the Committee from the Head of Regeneration and Planning regarding an update on Disabled Facility Grant applications and asked for an update in context the Strategy. The Head of Building Services advised that, within the public sector, officers had noted an increase in disabled facility grant applications, however, as the supplementary document highlighted the private sector had seen a significant decrease in the number of referrals received. However, the main point in common was there was a new policy directed by Welsh Government which had a significant impact on the relevant statistics.

A Member drew the Committee's attention to Section 14 of the Strategy which specified the need for an additional 576 homes per year to mitigate the housing crisis in Wales and also that following the changes to the subsidy system during 2015, the Council was now in a position to commence a development programme to provide new Council housing resulting in 1,146 homes. The Member highlighted that these were both major challenges for the Council and queried how successful the Council had been in producing new properties in comparison to neighbouring authorities who appeared to have produced a larger amount of homes. As a secondary point, the Member queried whether the Council had an adequate land acquisition plan.

The Head of Building Services advised that he had visited neighbouring Local Authorities to observe their methods for producing new homes and despite authorities advertising a significant amount of new homes being created only 40% of the properties built would be Council owned. The Vale of Glamorgan Council already had a land acquisition strategy in place which stated that the local authority had approximately four years' worth of development land. However, it was premature to add this fact into the strategy. It was also important to note that the Council was currently third in comparison to neighbouring authorities and the Council was seeking to expand its development team to support the development work.

## RECOMMENDED -

- (1) T H A T the Housing Asset Management Strategy attached at Appendix A to the report be noted.
- (2) T H A T the comments of the Committee regarding the Housing Asset Management Strategy be referred to Cabinet for consideration.

Reasons for recommendations

- (1) To ensure the Council has a cohesive Strategy directly available resources for the Council's housing stock, ensuring appropriate investment decisions.
- (2) To ensure Cabinet is aware of scrutiny comments prior to the Strategy going out to Tenant Consultation.

## 546 INITIAL CAPITAL PROGRAMME BUDGET PROPOSALS 2019/20 TO 2023/24 AND CAPITAL MONITORING 2018/19 (DEH) -

The Operational Manager for Accountancy presented the report to provide an update on the progress of the Capital Programme for 2018/19 and to submit for consultation the Initial Capital Proposals for 2019/20 and began by advising that details of the financial progress on the Capital Programme as at 30<sup>th</sup> September, 2018 was attached to the report at Appendix 1. Furthermore, any changes detailed within the report that related to 2019/20 had been reflected at Appendix 2.

With regards to the Capital Programme for 2018/19, the Officer advised that the report set out some reductions in capital for 2018/19 and summarised some key points from the report as follows:

Housing Revenue Account (HRA) Internal Works – Following the completion of Welsh Housing Quality Standards (WHQS), work had been undertaken to survey HRA properties to establish what works were required to maintain the standard. Around half of the properties had been surveyed and the level of work identified was currently less than anticipated. It had therefore been requested that the budget be reduced by £1.55m in 2018/19. Budgets would then be re-profiled for the final capital proposals following the preparation of the 2019/20 Housing Business Plan.

HRA Common Parts – Work was ongoing in relation to the communal area upgrades within HRA flats, however, a combination of delays had slowed delivery of the various schemes. It had therefore been requested that the 2018/19 budget be reduced by £1.5m. As with the HRA Internal Works, the budgets would be re-profiled following the preparation of the 2019/20 Housing Business Plan.

HRA Environmental Improvements – Work was ongoing to the Buttrills scheme and other environmental priorities would be identified following the preparation of the 2019/20 Housing Business Plan. It had therefore been requested that the 2018/19 budget be reduced by £556k.



Disabled Facilities Grant - During the first six months of the current financial year, the demand for Disabled Facilities Grants (DFG) had reduced. As a consequence, at six months the spend against the budget was behind profile. Based on cases in the system and the current client list, it was anticipated that there could be up to a £200k underspend on the DFG capital budget. It was not clear at this time if the reduction in demand was a permanent change in demand or as a result of a pilot project Social Services were funding in assessing incoming cases. However, a need had been identified to adapt two disabled public toilets with a hoist, changing / shower facilities on Barry Island and Cosmeston Lake at a total cost of £100k. The facilities would enable families / carers of disabled people with severe disabilities to access suitable adapted toilet / changing facilities when visiting the tourist attractions. Providing the two facilities would support the individuals and their families wellbeing, support the Vale's Wellbeing outcomes 'An Active and Healthy Vale' and 'An Inclusive and Safe Vale'. The facilities would also promote the two key tourism sites to the families, carers and individuals and support the Council's Destination Management Plan. In addition it enabled the Council to detail the facilities in the Local Toilet Strategy that Welsh Government (WG) were seeking Local Authorities to write and publish to secure improved access to public toilets. It had therefore been requested to vire £100k from the DFG Fund to a new scheme called Barry Island and Cosmeston Toilets in the 2018/19 Capital Programme.

The Officer then moved on to the 2019/20 to 2023/24 Capital Programme points and summarised the following:

The WG announced the provisional 2019/20 General Capital Funding, on 9th October 2018. The 2019/20 Capital Settlement was a flat lined capital settlement which for the Vale of Glamorgan Council equated to General Capital Funding of £5.489m which was made up of £2.077m General Capital Grant and £3.412m Supported Borrowing. Therefore, the General Capital Funding for 2018/19 was £5.505m and was a reduction of £16k between financial years.

The Officer added that there was no indication as to the level of funding likely beyond 2019/20 and therefore, in line with the approach adopted in the Medium Term Financial Plan, the proposals assumed a reduction of 5% for each financial year of the programme after 2019/20.

The Major Repairs Allowance (MRA), which was the grant that provided capital funding to the HRA, had not yet been announced by the WG for 2019/20 and Cabinet would be advised once the announcement was made. An assumption had been made in Appendix 2 that the grant would continue at the same level as in the current financial year, which was £2.759m, in 2019/20 and throughout the period of the Capital Programme.

With regards to the Housing Improvement Plan, the Officer advised that the 2018/19 Housing Improvement Programme Budget currently totalled £21.506 million and as set out within the Officer's report, it was requested that the budget be reduced by a net figure of £6.606 million, £3.1 million of which was to be carried forward into 2019/20 meaning that the Council was in a position to borrow less during this financial year.

As a final point, the Officer drew the Committee's attention to paragraph 33 of the report which set out the total net capital expenditure of the proposed programme for the Council as a whole over the five year period totalling £131.422 million and added that the effect from General Fund used for Capital Receipts would be as shown below and reminded Members that any funding obtained due to the sale of Council owned properties would be ringfenced for the Housing Revenue Account:

| <b>Capital Receipts</b>                         | <b>General</b> |
|---|----------------|
|   | <b>£'000</b>   |
| <b>Anticipated Balance as at 1st April 2019</b> | <b>4,516</b>   |
| Anticipated Requirements – 2019/20              | -1,864         |
| Anticipated Receipts – 2019/20                  | 338            |
| <b>Balance as at 31st March 2020</b>            | <b>2,990</b>   |
| Anticipated Requirements – 2020/21              | -1,550         |
| Anticipated Receipts – 2020/21                  | 1,659          |
| <b>Balance as at 31st March 2021</b>            | <b>3,099</b>   |
| Anticipated Requirements – 2021/22              | -131           |
| Anticipated Receipts – 2021/22                  | 144            |
| <b>Balance as at 31st March 2022</b>            | <b>3,112</b>   |
| Anticipated Requirements – 2022/23              | 0              |
| Anticipated Receipts – 2022/23                  | 0              |
| <b>Balance as at 31st March 2023</b>            | <b>3,112</b>   |
| Anticipated Requirements – 2023/24              | 0              |
| Anticipated Receipts – 2023/24                  | 0              |
| <b>Balance as at 31st March 2024</b>            | <b>3,112</b>   |

A Member drew the Committee's attention to paragraph 9 of the Officer's report which stated that a successful Intermediate Care Fund (ICF) bid had been approved to provide funding for a scoping exercise to potentially develop accommodation with care for older people as part of the Penarth Older Persons Village and it had therefore been requested that £100,000 was included in the Capital Programme for 2018/19 and asked if there had been any progression regarding this matter. The Operational Manager for Accountancy advised that she had no further updates to provide at the time of the meeting but would provide an update regarding the use of the £100,000 to members as soon as possible.

The Member also noted the anticipated £200,000 underspend on the Disabled Facilities Grant Capital Budget and with regards to the identified need to adapt two

disabled public toilets with a hoist, changing/shower facilities on Barry Island and Cosmeston Lakes at a total cost of £100,000 raised a concern that these works could set a precedent for the Council and questioned whether or not the funds should be better used in creating disabled play facilities. The Operational Manager for Accountancy thanked the Member for his comments and stated that the approach was a new situation for the Council as it was the first time that the Council was dealing with an underspend in the budget area and advised that she would feed back the suggestion regarding disabled play facilities for further consideration.

The Chairman thanked the Officer for her comprehensive report and summarised the Committee's view that it was imperative that Disabled Facilities Grant funding continued to be spent on disabled facilities.

#### RECOMMENDED -

- (1) T H A T the changes to the 2018/19 Capital Programme be noted.
- (2) T H A T the Initial Capital Budget proposals for 2019/20 be noted and that the Committee's comments be referred to the Corporate Performance and Resources Scrutiny Committee.

#### Reasons for recommendations

- (1) To ensure that Members were aware of the position with regards to the 2018/19 Capital Programme, relevant to the Scrutiny Committee.
- (2) In order that Cabinet be informed of the comments of the Scrutiny Committee prior to making a final proposal on the 2019/20 Capital Programme.

#### 547 INITIAL REVENUE BUDGET PROPOSALS 2019/20 AND REVISED BUDGET 2018/19 (DEH) -

The Operational Manager for Accountancy presented the report which set out the Initial Revenue Budget Proposals for 2019/20 to inform Scrutiny Committee of the amended original budget for 2018/19 for services which formed part of the Committee's remit. The Officer began by summarising the Appendices to the report as follows:

Appendix 1 to the report set out the amended budget for 2018/19, together with the necessary adjustments to be made to the original budget and the Officer advised that there were no further changes to report at the time of the meeting with the budget expected to balance.

As part of the Final Revenue Budget Proposals for 2018/19, the savings target of £6.298 million was set for the Authority and attached at Appendix 2 was a statement detailing the projected progress against savings targets for 2018/19 for the Committee with no further changes to report at the time of the meeting with an expectation that the savings targets would be reached.

Regarding the 2019/20 Initial Budget Proposals, it had been necessary to revisit the cost pressures facing services in order to build up a complete and up to date picture of the financial position of the Council and an updated list for the Committee was attached at Appendix 3 to the report. It was at this point that the Officer wished to highlight that funding was only available until 31<sup>st</sup> March, 2019 for a Homes Loan Officer key post and that the loss of the post would lead to a lack of direction and policy drift and almost certainly a drop in performance when compared to neighbouring Authorities.

Moving on through the report, the Officer highlighted that once the base budget for 2019/20 had been established, it must then be compared to the funding available to identify the extent of any shortfall. With a projected AEF of £151.923m and Council Tax at a current level of £69.573m, the total available funding would be £221.496m. When compared to a base budget of £226.416m, this would result in a funding deficit for 2019/20 of £4.920m.

The Officer added that if all identified cost pressures were funded, this would increase the shortfall to £14.164m and if all proposed savings were achieved, the shortfall would be reduced to £10.420m.

|   |         |
|---|---------|
| Projected Budget Shortfall                      | 2019/20 |
|   | £000    |
| Funding Available                               |         |
| Provisional AEF                                 | 151,923 |
| Council Tax (Assumes no increase) *             | 69,573  |
| Projected Funding Available                     | 221,496 |
|   |         |
| Base Budget                                     | 226,416 |
|   |         |
| Projected Shortfall Against Base Budget         | 4,920   |
|   |         |
| Assume all Cost Pressures Funded                | 9,244   |
|   |         |
| Projected Shortfall with Cost Pressures Funded  | 14,164  |
|   |         |
| Assume all Savings Achieved (including Schools) | (3,744) |
|   |         |
| Projected Shortfall                             | 10,420  |

\* This assumes no increase in Council Tax at this stage.

The shortfall outlined in the table above did not include any increase in Council Tax and a 1% increase in Council Tax equated to £696k. The table below demonstrated the funding that could be raised from a range of Council Tax increases however, the level of increase in Council Tax would need to be carefully considered in parallel with the other options available to the Council in order to reduce the funding gap and to consider the impact on the residents of the Vale.

| Examples of Council Tax Increase % | Additional Funding Raised £000 |
|------------------------------------|--------------------------------|
| 2.5%                               | 1,740                          |
| 3%                                 | 2,088                          |
| 3.5%                               | 2,436                          |
| 4%                                 | 2,784                          |
| 4.5%                               | 3,132                          |
| 5%                                 | 3,480                          |
| 5.5%                               | 3,828                          |
| 6.0%                               | 4,176                          |

The shortfall outlined above was also based on the assumption that the savings target of £3.744m set for 2019/20 would be achieved in full. However, a high proportion of the savings related to Reshaping Services schemes which reflected a new way of working and therefore required a lengthy period of time to implement. Whilst all services were working towards achieving their 2019/20 targets, not all savings would be achieved in full for 2018/19 and the potential for re-profiling savings would need to be assessed when setting the budget for 2019/20.

Looking forward, the Officer advised that further work would be undertaken by the Budget Working Group (BWG) in order to achieve a balanced budget for the final budget proposals for 2019/20 and this would include a review of the use of reserves, a possible increase in Council Tax, a review of all cost pressures, possible changes to the approved saving targets, a review of the inflation assumptions and the current financial strategies.

The Council Fund Reserve as at 31<sup>st</sup> March, 2019 was projected to stand at £13.634m, however, use of the reserve to balance the revenue budget would result in a higher level of savings being required in future years. The Section 151 Officer currently believed that the minimum balance on the Council Fund Reserve should be no less than £7m as this was considered sufficient to cover unforeseen expenditure whilst, in the short term, maintaining a working balance. Unforeseen expenditure could be substantial and several instances could occur in a year. Whilst there was no set requirement for the minimum level for the Council Fund Reserve, some commentators use 5% of the net budget as a guide. For the Vale of Glamorgan this was about £11m, however, in view of the prudent approach the Council took with regard to specific reserves £7m was considered a reasonable minimum.

In conclusion, the Officer highlighted Appendix 5 within the report which set out actual reserves relating to the Committee as at 31<sup>st</sup> March, 2018 and demonstrated the estimated reserves balance for each year up to 31<sup>st</sup> March, 2022.

A Member referred to the analysis of revenue cost pressures for 2019/20 as attached at Appendix 3 to the report and expressed her deep concerns regarding the loss of the Homes Loan Officer post as the work of the post was very evident and had been very successful at improving the aesthetics of Barry Town and for drawing home owners into the Vale of Glamorgan area. Therefore, the Member

recommended that her concerns be forwarded to the Corporate Performance and Resources Scrutiny Committee.

On the same point, the Chairman also wished to add that the lack of funding received from Welsh Government and the impact this was having on the Council as a whole was equally disappointing and therefore the Committee wished to express its displeasure in reduced funding from Welsh Government which appeared very harsh in comparison with other Local Authorities.

#### RECOMMENDED -

(1) T H A T the amended Revenue Budget for 2018/19 as set out in Appendix 1 to the report be noted.

(2) T H A T the Initial Revenue Budget Proposals for 2019/20 and the comments raised by the Committee, including those relating to cost pressures as set out in the minute above be passed to the Corporate Performance and Resources Scrutiny Committee as the lead Scrutiny Committee.

#### Reasons for recommendations

(1) To advise Committee of amendments to the 2018/19 budget.

(2) In order that Cabinet be informed of the recommendations of Scrutiny Committee before making a final proposal on the budget.

#### 548 INITIAL HOUSING REVENUE ACCOUNT BUDGET PROPOSALS 2019/20 AND REVISED BUDGET 2018/19 (DEH) -

The Operational Manager for Accountancy presented the report which requested the Committee's consultation on the Initial Housing Revenue Account Budget Proposals for 2019/20 and to inform the Committee of the amended original budget for 2018/19.

The Officer began by highlighting the table below which compared the original budget with the proposed amended budget.

|  | 2018/19<br>Original<br>Budget | 2018/19<br>Proposed<br>Amended<br>Budget | Variance<br>Favourable (-)<br>Adverse (+) |
|--|-------------------------------|--|---|
|  | £'000                         | £'000                                    | £'000                                     |
| Housing Revenue Account<br>(Surplus)/Deficit | (21)                          | (77)                                     | (56)                                      |

The net operational budget for 2018/19 had changed from a surplus of £21k to a surplus of £77k and a review of the current budget had found a potential net saving for the current financial year of £2.289m. The main reason for the saving was that the estimated increase in the provision for bad and doubtful debts had been reduced by £910k, as Universal Credit would be rolled out for the Vale of Glamorgan from October 2018 but the full effects would not be felt until 2019/20. In addition, there had been a reduction in the Repairs and Maintenance budget of £700k which partly related to an external painting programme which would continue in to 2019/20. A reduction in Capital Financing Costs of £463k was anticipated due to a lower level of borrowing required to fund the Capital Programme and the 'Incentive to Move' scheme had been amended (as per Cabinet minute no. C237) resulting in a budget reduction of £34k. Employee costs were anticipated to be £34k less than budgeted due to vacant posts and other budgets that were expected to outturn with an underspend were: survey costs £19k, compliance costs £41k, legal fees £12k, publications £38k and premises £16k. There was also expected to be a reduction in void costs of £163k and there was various other savings of £4k.

However, these savings had been offset by the following: a £60k reduction in the Supporting People funding for the Vale Community Alarm Service (VCAS) from October 2018. The commission received from Welsh Water was anticipated to be £49k lower than budgeted (as per the Welsh Water schedule) and charges for services and facilities were expected to be £12k less than budgeted. The write off of former tenant arrears was also expected to increase by £24k.

The Officer added that the balance on the HRA reserve brought forward as at 1<sup>st</sup> April, 2018 was £775k and was currently lower than required and it was prudent to maintain the HRA revenue reserves at a minimum balance. The level of Capital Expenditure funded from the Revenue Account (CERA), had been recalculated at £6.818m, which was an increase of £2.233m and this would leave a balance on the HRA reserve at year end of £852k, which was in line with the minimum amount required as per the Business Plan.

With regards to the base budget for 2019/20, the charges for rent and other services provided by the Housing Service were reviewed annually and these would be subject to a future report once the guidance had been received from Welsh Government (WG) regarding the setting of rents for 2019/20. The table below summarises the original budget for 2018/19 with the proposed budget for 2019/20.

| 2018/19<br>Original<br>Budget | Inflation /<br>Pay Award | Committed<br>Growth /<br>(Savings) | Estimated<br>Rent<br>Increase | Increase/<br>(Decrease)<br>in CERA | 2019/20<br>Proposed<br>Budget |
|-------------------------------|--------------------------|------------------------------------|-------------------------------|------------------------------------|-------------------------------|
| £000                          | £000                     | £000                               | £000                          | £000                               | £000                          |
| (21)                          | 70                       | (183)                              | (564)                         | 677                                | (21)                          |

In conclusion, the Officer stated that an increase in Capital Expenditure from Revenue Account (CERA) to finance the Housing Improvement Programme of £677k had been assumed and the amount of revenue contribution required was dictated by available revenue balances and the value of the Housing Improvement Programme.

Adjusting the level of CERA by the amount would leave a balance on the HRA Reserve of £873k, which was in line with the Business Plan.

#### RECOMMENDED -

- (1) T H A T the amended Housing Revenue Account Budget for 2018/19 as set out in Appendix 1 to the report be noted.
- (2) T H A T the Initial Housing Revenue Account Budget proposal for 2019/20 be noted.

#### Reasons for recommendations

- (1) To facilitate monitoring of the amended Housing Revenue Account Budget.
- (2) To facilitate consultation of the Housing Revenue Account Budget Proposal for 2019/20.

#### 549 QUARTER 2 (2018/19) PERFORMANCE REPORT: AN INCLUSIVE AND SAFE VALE (DEH) -

The Head of Building Services presented the report to provide Committee with the performance results for Quarter 2, 1<sup>st</sup> July - 30<sup>th</sup> September, 2018 for the Corporate Plan Wellbeing Outcome 1, 'An Inclusive and Safe Vale'.

The Officer began by advising that, overall, the Council had made good progress in delivering its Corporate Plan priorities in relation to the Well-being Outcome 1 Objectives of, 'Reducing poverty and social exclusion' and 'Providing decent homes and safe communities'. This had contributed to an overall Green status for the Outcome at Quarter 2.

The majority (88%) of Service Plan actions had been attributed a Green status with 7 actions showing as Red. There had been some areas where progress had slipped for the quarter for example; improving the quality and range of information provided by the housing section on the website, completion of the Buttrill's Environmental Improvement Project, the review of the Council Rent Policy, reviewing existing support arrangements in place for householders and landlords, developing a Vale Connects Community Messaging Service, expanding restorative justice approaches and delivering key actions in response to the Lord Laming report.

A RAG status was available for the 34 measures with the majority being reported annually, therefore at the end of the year. 75% of measures were attributed a Green status and 25% an Amber status at Quarter 2. The measures that were Amber related to the percentage of tenants that were satisfied with the outcome of an anti-social behavioural complaint which was slightly under target although better than the same period last year. The second measure to miss target related to the average number of calendar days taken to deliver a Disabled Facilities Grant which had been missed due to delays caused by clients not using the Council's grant agency service in the previous quarter.



A Member drew the Committee's attention to an achievement set out on page 6 of the Performance Report and commended the work undertaken with regards to the comprehensive awareness campaign on Universal Credit. After which, a Tenant Working Group Representative raised a query regarding whether an individual's funeral plan would be taken into account as savings when making an application for Universal Credit. To which, Ms. Delyth Murphy (Co-opted member of the committee) from Cardiff and the Vale Citizens Advice advised that she would provide a response on the matter to Committee following the meeting.

A Member referred to page 29 of the performance report and Service Action Plan HS/A060: 'Review the Existing Council Rent Policy to Accommodate the New Council Housing Development Properties' and queried if an update should have been provided to the Committee by the date of the meeting given that the progress outcome description stated that guidance from Welsh Government had been delayed until November 2018. In response, the Head of Building Services advised that the Council was still waiting to hear from Welsh Government and officers were hoping to receive the advice in time to add it to the future Business Plan. The Officer also added that the Housing Revenue Account Business Plan would be provided to the Committee in the future which would specify aspects taken into account to generate the Plan as an appendix and therefore the Welsh Government guidance regarding Council Rent Policy would also be provided to committee via that avenue.

In conclusion, the Vice-Chairman wished to congratulate the Officer on the multiple achievements contained on pages 6 and 7 of the Performance Report with particular congratulations being given for reaching 98.46% of customers who reported that they were satisfied with the access to services across all channels.

#### RECOMMENDED -

(1) T H A T the performance results and progress towards achieving key outcomes in line with the Corporate Plan Wellbeing Outcome 1 - 'Residents of the Vale of Glamorgan have a good quality of life and feel part of the local community' be noted.

(2) T H A T the performance results and remedial actions to be taken to address areas of underperformance and tackle the key challenges identified be noted.

#### Reasons for recommendations

(1) To ensure the Council clearly demonstrates the progress being made towards achieving its Corporate Plan Well-being Outcomes aimed at making a positive difference to the lives of Vale of Glamorgan citizens.

(2) To ensure the Council is effectively assessing its performance in line with the requirement to secure continuous improvement outlined in the Local Government Measure (Wales) 2009 and reflecting the requirement of the Well-being of Future Generations (Wales) Act 2015 that it maximises its contribution to achieving the well-being goals for Wales.

## 550 DIGITAL INCLUSION (DEH) -

On behalf of the Operational Manager for Customer Relations, the Senior Business Improvement Partner for Performance and Development Services presented the report to brief Members on the ongoing work to increase the levels of digital inclusion within the Vale of Glamorgan.

The Officer began by highlighting that the Digital Strategy for 2017-20 set out the Council's response to changes in how citizens expected to access services, the rapid development of new technologies and ongoing budget pressures and was attached at Appendix A to the report.

The strategy set out an ambition to enable citizens to get the services and information they needed online digitally by default. This meant embracing technology to re-design the Council's services and the way they were provided to citizens.

The Officer advised that a Digital Project Board had been established to oversee the delivery of the strategy and a Digital Customer working group had been created to undertake the implementation of citizen facing technology. To date, the Digital Customer working group had implemented a redesign of the Council's website to focus on transactional opportunities (such as making a payment), and reflected the fact that the majority of citizens accessing the website did so via mobile devices (smartphones and tablets). A new eforms platform was also being implemented which would integrate with legacy systems to reduce citizen effort in access and receiving services and this would also improve the performance of the Council mobile app.

The strategy recognised that not all citizens had the skills or access to digital services and committed the Council to "equipping residents with the digital skills and technologies they need to enhance their lives". This situation had been exacerbated by the introduction of a digital by default approach to apply for Universal Credit which was currently being implemented for new claimants in the Vale of Glamorgan. The Council recognised 5 groups of citizens that were most likely to be digitally excluded - older people, social housing tenants, those with disabilities, economically inactive and those in in-work poverty. Furthermore, the Council recognised how access to digital services could have a positive impact on those citizens experiencing both social and financial exclusion.

The Officer added that whilst the Council had not restricted access to services through traditional channels (telephone and in person) it was working collaboratively through the 'Get The Vale Online' (GTVO) partnership to address issues of digital inclusion. The partnership was chaired by Digital Communities Wales and was comprised of Newydd Housing Association, Job Centre Plus, Castleland Community Centre, Royal National Institute for the Blind and Digital Champions representative in addition to Council representatives from 50+ Forum, Customer Relations, Supporting People, Vale Homes and Library services. The group was committed to identifying opportunities for training, developing a digital champions / volunteer's network,

promoting opportunities for citizens and to improve their skills and access. The partnership continued to promote digital volunteering opportunities.

In January 2019 the partnership would launch Wales' first tablet loan scheme from libraries. Citizens who were at least 55 years old would be able to borrow WiFi and Mobile enabled tablet devices pre-loaded with specific applications. The citizen would receive induction training from library staff and be encouraged to "Try One Thing."

During 2017/18 the group delivered regular digital drop-in sessions in 12 locations including libraries, sheltered accommodation, Age Connects Cafe and Aberaeron Community Hub.

In conclusion, the Senior Business Improvement Partner was pleased to report that 307 unique participants had attended the digital drop in sessions run by 27 volunteer digital champions, who contributed a total of 1,238 hours and that 100% of the participants reported that they now felt more confident in using the digital service and 89% (272) reported that they now accessed the internet more regularly.

A Member thanked the Officer for his presentation of the report and referred to a point raised on page 14 of the Digital Strategy document that stated that the Local Authority was currently introducing free wi-fi to all its public buildings and spaces, for example the digital beach at Barry Island and suggested that the Esplanade in the Penarth area would also be an advantageous place as well as the St. James and St. Paul's residential areas. As a secondary point, the Member also referred to page 17 of the Policy which referred to the ensuring that appropriate technical infrastructure was in place to deliver the Council's objectives with particular reference to 'Cloud' based solutions and asked whether consideration could be given to extending Microsoft Office 365 software to Council tenants which would allow the Council to take a lead on this type of facility.

The Chairman thanked the Member for his interesting points and noted that the cost of providing Microsoft Office 365 to Council offices had risen significantly and therefore careful consideration would need to be given to the costs of implementing Microsoft Office 365 to Council tenants. The Member seconded the Chairman's point and requested that a future report on digital inclusion be provided to the Committee with particular consideration given to:

- Possible new sites/areas eligible for free Wi-Fi taking into account any suggestions received from Tenant Working Group Representatives;
- The relevant costs and security implications for making Microsoft Office 365 available to Council tenants.

The Chairman commended the level of training provided to individuals regarding digital inclusion and suggested that statistics be collated to evidence whether individuals were continuing to use the new skills they had gained sometime after the initial training had been received. Increasing individuals' confidence and ability to access digital services was essential going forward as would be working closely with local businesses to improve progress on the matter.

RECOMMENDED -

- (1) T H A T the report and progress made on addressing issues of digital inclusion be noted.
- (2) T H A T a further report on digital inclusion be provided to the Committee with particular consideration given to:
  - Possible new sites/areas eligible for free Wi-Fi taking into account any suggestions received from Tenant Working Group Representatives;
  - The relevant costs and security implications for making Microsoft Office 365 available to Council tenants.

Reasons for recommendations

- (1) To provide Members with the opportunity to oversee the work being undertaken to support residents who were not able to access digital and online services and to provide relevant feedback.
- (2) To ensure the Council improved on its level of free wi-fi available and technical infrastructure.