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**Date: 9th May 2018**

Dear Sir/Madam,

A meeting of the **Caerphilly Homes Task Group** will be held in the **Sirhowy Room, Penallta House, Tredomen, Ystrad Mynach** on **Thursday, 17th May, 2018** at **5.00 pm** to consider the matters contained in the following agenda. Councillors and the public wishing to speak on any item can do so by making a request to the Chair. You are also welcome to use Welsh at the meeting, both these requests require a minimum notice period of 3 working days, and a simultaneous translation will be provided if requested.

All Committee meetings are open to the Press and Public, observers and participants are asked to conduct themselves with respect and consideration for others. Please note that failure to do so will result in you being asked to leave the meetings and you may be escorted from the premises.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Chrissy'.

**Christina Harrhy**  
INTERIM CHIEF EXECUTIVE

## AGENDA

- |   | Pages                             |  |
|---|-----------------------------------|--|
| 1 | To receive apologies for absence. |  |
| 2 | Declarations of Interest.         |  |

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Councillors and Officers are reminded of their personal responsibility to declare any personal and/or prejudicial interest(s) in respect of any item of business on this agenda in accordance with the Local Government Act 2000, the Council's Constitution and the Code of Conduct for both Councillors and Officers.

To approve and sign the following minutes: -

- 3 Caerphilly Homes Task Group held on 29th March 2018. 1 - 4

To receive and consider the following reports and make recommendations to the Policy and Resources Scrutiny Committee: -

- 4 Flat Accommodation at River Road, Pontlottyn and The Grove, Fochriw. 5 - 10

To receive and note the following information items: -

- 5 Wales Audit Office Review of the WHQS Delivery Programme. 11 - 36

- 6 WHQS - Contractor Community Fund. 37 - 40

- 7 Affordable Homes in New Developments. 41 - 54

*\*If a member of the Caerphilly Homes Task Group wishes for the above information report(s) to be brought forward for discussion at the meeting, please contact Emma Sullivan on 01443 864420, by 10a.m. on Wednesday 16th May 2018.*

- 8 To receive any requests for an item to be included on the next available agenda.

**Circulation (Unless Otherwise Appointed At The AGM):**

Task Group Members: Ms L. Pewtner, Mrs D. Moore, Ms M. James, Ms R. Thompson, Mrs Y. Bryant, M. Davies, Miss E. Forehead, L. Harding, A. Hussey, Ms S. Jones, L. Phipps, Mrs D. Price, L.G. Whittle and Mr C. Davies,

And Appropriate Officers



## **CAERPHILLY HOMES TASK GROUP (WELSH HOUSING QUALITY STANDARD)**

**MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH  
(SIRHOWY ROOM) ON THURSDAY, 29TH MARCH 2018 AT 5P.M.**

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PRESENT:

C. Davies – Chair  
Mrs D. Price – Vice Chair

Task Group Members:

M. Davies, Ms M. James, L. Harding, A. Hussey, Mrs S. Jones, Mrs D. Moore, Ms L. Pewtner, Mrs L. Phipps, and L. Whittle.

Officers:

S. Couzens (Chief Housing Officer), F. Wilkins (Public Sector Housing Manager) and C. Evans (Committee Services Officer).

### **1. APOLOGIES**

Apologies for absence were received from E. Forehead, Ms M. James and Ms L. Pewtner.

### **2. DECLARATIONS OF INTEREST**

Tenant Representatives C. Davies, Ms M. James, Mrs S. Jones, Mrs D. Moore and Ms L. Pewtner declared a personal but not prejudicial interest in all agenda items as Council Tenants.

Mrs D. Price declared an interest in Item 5 – Review of Rechargeable Repairs and Appeals Panel. Details are recorded with the respective item.

### **3. MINUTES – 15TH FEBRUARY 2018**

RESOLVED that the minutes of the meeting held on 15th February 2018 be approved as a correct record and signed by the Chair.

The Task Group raised concerns that there had been reports requested at previous meetings, which had not yet been scheduled and sought officer clarification.

Officers sought clarification in respect of the Community Fund Report, as there are 2 funds available. Discussion ensued and it was clarified that a report is sought on Community Fund, which is supported through Internal Works contracts. Officers agreed to provide a report.

Discussions took place around the Affordable Homes Report request and it was noted that this is due to be presented to Policy and Resources Scrutiny Committee and Cabinet and considers the introduction of an additional Social Housing provider to the Borough. Another report is also being developed which considers the building of additional Council Homes, which can be made available for the next meeting.

A Task Group Member requested information on the Valleys Task Force. Following discussion, it was noted that, as the Task Force is still in its infancy, there is not currently a Caerphilly CBC representative on the Group, and it is not within the remit of the Task Group, that this may not be an appropriate forum for discussions at this time.

Finally, Officers explained that, due to work pressures and deadline, it may not always be possible to provide the Task Group with the requested reports to the next meeting, and asked that the Task Group allow 2 meetings cycles for requested reports.

#### **4. WALES AUDIT OFFICE REVIEW UPDATE (VERBAL)**

The Caerphilly Homes Task Group noted the update.

#### **5. REVIEW OF RECHARGEABLE REPAIRS AND APPEALS PANEL**

Mrs D. Price declared an interest in this item as she is a Member of the Panel, and left the room during its consideration.

The report sought the views of the Caerphilly Homes Task Group on the review of the operation of the Rechargeable Repairs and Appeals Panel and the need to consider revising the way in which second stage reviews are considered, prior to its presentations to the Policy and Resources Scrutiny Committee and Cabinet.

It was noted that the Rechargeable Repairs Policy was approved at Cabinet on 18th March 2015. The Policy included a revised review process that allows tenants to request an independent review of their recharge if they have good reason to disagree with a previous decision made by the officers/ managers.

There are currently 3 stages to the process:

- An informal review by Officers
- A first stage formal review by a manager
- A second stage formal review, undertaken by the Rechargeable Repairs and Appeals Panel. The Panel makes a recommendation to the Chief Housing Officer on whether the recharge should be upheld. The Chief Housing Officer's decision is final.

The Panel was suggested by the Repairs and Improvements Group in August 2014 when consulted on the introduction of the Rechargeable Repairs Policy and was considered an opportunity to involve tenants and Members in reviews.

The report detailed the second stage reviews considered by the Panel to date, including outcomes and recommends that, due to the extensive additional resources required in facilitating the panel, cost implications, consequential delays in decision making and the limited number of cases being brought forward, the use of a panel for second stage reviews be replaced with a procedure that would mirror the second stage of the Corporate Complaints Procedure. In addition the report further proposed that alternative arrangements be put in place to ensure that the quality and consistency of decision making in relation to reviews be maintained, and to keep tenants informed about decision making in respect of rechargeable repairs.

The Task Group thanked the Officer for the report and discussed the report at length.

The Task Group raised concerns that there is not accurate representation for Tenants on the Panel and felt that, should the Panel be abolished, there would not be an option to get the voice of the tenant heard. In addition, the Task Group felt that the proposed process should provide more regular reporting. Officers explained that, due to the costs associated with the Panel, which are covered through the HRA and the number of cases they are required to deal with, the Panel is not cost effective or fit for purpose. Officers acknowledged the need for tenant representation in matters, however it was noted that should a complainant be dissatisfied with the outcome of the Appeal, they are entitled to contact the Ombudsman to consider the case.

A Task Group Member queried how long the new system would take to implement, and Officers assured Members that it could be implemented with immediate effect, as there are similar systems in place for Complaints.

Discussion took place around call recording and the Task Group were keen for Officers to consider this option, which could ultimately reduce the number of Recharge Appeals being made. Officers explained that options have been considered corporately and there have been some concerns around Data Protection, however these discussions are ongoing.

Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved. By a show of hands (and in noting that there were 4 abstentions) this was agreed by the majority present.

RESOLVED that for the reasons outlined in the Officers report:

- i) the Rechargeable Repairs and Appeals Panel be discontinued;
- ii) all second stage reviews of rechargeable repairs be investigated using a process that mirrors the second stage of the Corporate Complaints Procedure;
- iii) monitoring of consistency of implementation of the Rechargeable Repairs Procedure in relation to requests for review and the application of discretion be undertaken by a Housing Manager Panel on a quarterly basis;
- iv) an annual report be provided to the Repairs and Improvement Group on the number, nature and outcome of second stage reviews of rechargeable repairs considered under the revised procedure, together with decisions taken in respect of informal and stage 1 formal reviews.

## **6. ABOLITION OF THE RIGHT TO BUY AND ASSOCIATED RIGHTS**

The report provided Members with information on the Welsh Government's intention to introduce legislation on the abolition in Wales of the Right to Buy and Associated Rights.

It was noted that the Right to Buy was introduced by the UK Government through the Housing Act 1980 with the aim of extending levels of home ownership throughout the UK. Since the introduction of the Right to Buy and Right to Acquire, around 139,000 social rented dwellings have been sold across Wales.

Against a backdrop of considerable housing pressure in Wales, Welsh Government intends to introduce legislation, which abolishes the Right to Buy and Right to Acquire. The Abolition of the Right to Buy and Associated Rights (Wales) Bill has passed its final stage in the National Assembly for Wales on 5th December 2017. The Bill became an Act in January 2018, following receipt of Royal Assent.

Social Landlords were required to ensure that all affected tenants were provided with relevant information issued by Welsh Government that landlords consider to be relevant to their tenants by 17th March 2018.

The Task Group thanked the Officer for the report and discussion ensued.

A Task Group Member sought further information on the application process in relation to the WHQS works and it was clarified that any improvements scheduled would halt on the receipt of an application to purchase their property. It was also noted that a £8,000 discount would be applied to the property value of each eligible Council tenant wishing to purchase their home.

The Caerphilly Homes Task Group thanked the Officer for the report and noted its content.

**7. TO RECEIVE ANY REQUESTS FOR AN ITEM TO BE INCLUDED ON THE NEXT AVAILABLE AGENDA**

There were no requests made by the Task Group at the meeting.

The meeting closed at 6:15 p.m.

Approved as a correct record subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 17th May 2018.

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CHAIR



## CAERPHILLY HOMES TASK GROUP – 15TH MAY 2018

**SUBJECT: FLAT ACCOMMODATION AT RIVER ROAD, PONTLOTTYN & THE GROVE, FOCHRIW**

**REPORT BY: CORPORATE DIRECTOR - SOCIAL SERVICES AND HOUSING**

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### 1. PURPOSE OF REPORT

- 1.1 This report seeks the views of members on proposals to demolish the block of flats known as 1 to 9, River Road, Pontlottyn and to take 3 to 6, The Grove, Fochriw, out of the Housing stock with a view to demolition of the block in future years, prior to the report being presented to the Policy and Resources Scrutiny Committee for information and thereafter to Cabinet for a decision.

### 2. SUMMARY

- 2.1 Issues associated with lack of demand are being experienced by all partner landlords with housing stock in the Upper Rhymney Valley. Whilst there is unmet need for single person accommodation throughout the County Borough, demand for two and three bed flats in the Upper Rhymney Valley is low with waiting lists regularly exhausted.
- 2.2 The block of Council owned flats known as 1 to 9 River Road comprises a mix of 1, 2 and 3 bed flats. The block known as 1 to 6, The Grove comprises two active shop units at ground floor, trading as a single business, with two 2 bed flats located on each of the upper floors.
- 2.3 Both blocks have been affected by high levels of antisocial behaviour, crime and substance misuse. In addition, the flats are very hard to let due to their location and property mix and in recent years have largely been home to transient households. All flats in both blocks are currently vacant and the blocks have been secured.
- 2.4 Surveys of the blocks have identified disrepair to the external and internal fabric and boundaries, and significant investment is necessary to bring them up to the Welsh Housing Quality Standard.
- 2.5 The report recommends that both blocks be demolished, however, in recognition of the presence of a successful business operating out of The Grove, it is recommended that the demolition of that block be deferred until such time as the current lease expires, alternative funding becomes available, a suitable alternative premises is identified for the business, or the ongoing liability incurred by the Council in maintaining the structure and exterior of the building whilst the flats are 'mothballed' is no longer considered financially viable.

### 3. LINKS TO STRATEGY

- 3.1 **Improving Lives and Communities; Homes in Wales** (WG 2010) sets out the national context on improving homes and communities.

- 3.2 The **Caerphilly Delivers -Single Integrated Plan 2013-2017** has a priority to “improve standards of housing and communities, giving appropriate access to services across the County Borough” and ensure people are supported to live in their own homes and communities in safety.
- 3.3 The **Community Strategy: Living Environment Objective 1:** Encourage the development and maintenance of high quality, well designed and efficient, sustainable homes and environments which can meet all needs.
- 3.4 Caerphilly County Borough Council **2013/17 Corporate Priorities** include: CP7 - Invest in our Council homes and their communities to transform lives.
- 3.5 Caerphilly County Borough Council’s **Well-being Objectives in 2017/18** include: WBO5 – Investment in Council homes to transform lives and communities.
- 3.6 The **Wellbeing of Future Generation (Wales) Act 2015** is about improving the social, economic, environmental and cultural wellbeing of Wales. It requires public bodies to think more about the long-term, working with people and communities, looking to prevent problems and take a more joined up approach. This will create a Wales that we all want to live in, now and in the future. The content of this report links to the following Act well-being goals:
- A prosperous Wales.
  - A resilient Wales.
  - A healthier Wales.
  - A more equal Wales.
  - A Wales of cohesive communities.
  - A globally responsible Wales.

## 4. THE REPORT

### River Road Flats

- 4.1 River Road is located within the Pontlottyn ward. The block of flats known as 1 to 9 River Road is a traditional brick built block comprising three floors, each containing one 1 bed, one 2 bed and one 3 bed flat. It is the only block in the Council’s stock with this configuration. The block is fully owned by the Authority.
- 4.2 Flat 1 had previously been sold in June 2000 under the Right to Buy, and later sold on several times by subsequent owners and in July 2017 it was put up for auction in poor condition. In light of officer and local residents’ concerns about the block’s detrimental impact on the local community and future viability for residential use it was determined that it would be appropriate for the Authority to try to regain full ownership and control of the block by purchasing the flat. It was subsequently bought by the Council for £17,000 at auction.
- 4.3 In recent years there have been instances of antisocial behaviour, crime and substance misuse in the vicinity of this block which has contributed to the flats becoming difficult to let. This block of flats has been very hard to let due to its location and property mix and is reported by local residents to be regarded locally as a ‘no go’ zone.
- 4.4 The mix of accommodation in this block is not conducive to sustainable and cohesive communities and results in households with very different lifestyles and priorities sharing a living environment. The stigma associated with these flats has led to potential tenants refusing offers of accommodation despite the accommodation lending itself to families, couples and single people who may have been affected by welfare reform. In the last five years the average void period for this block has been 155 days compared with 25 days for a neighbouring block in Broad Street. In recent months the number of let flats reduced to four, with one of those being investigated for non-occupation.



- 4.5 In addition there are wider issues of low demand being experienced by all partner landlords with stock in the Upper Rhymney Valley. Whilst there is unmet need for single person accommodation throughout the County Borough, demand for two and three bed flats in the Upper Rhymney Valley, including Pontlottyn, is low. Traditionally flats have always been lower demand than houses as they are not considered by all to be suitable family accommodation, particularly flats above ground floor. As a result, families willing to move into low demand flats tend to stay only a short time, as a stepping stone into a house, particularly if subjected to antisocial behaviour.
- 4.6 Between January 2016 and November 2017 the Police and the Tenancy Enforcement Section received 19 reports of anti-social behaviour related to River Road and 7 crime related reports, including criminal damage, theft, burglary and vehicle related crime. Despite a multi-agency approach to offending, the provision of security doors and the strict enforcement of tenancy conditions, Police officers were still required to regularly patrol the area as many of the flats remained unoccupied and the location was being used by youths to congregate. A decision was therefore taken in late 2017 to relocate the few remaining tenants of the block to alternative accommodation in order to secure the building and reduce the likelihood of incidents of crime and antisocial behaviour in the locality.
- 4.7 Surveys of the block have identified disrepair to the external fabric and boundaries and a significant investment is necessary to bring it up to the WHQS. Whilst a small number of the flats have benefitted from some investment most of them require significant internal repairs and improvements to meet the WHQS. This work will be required to be fully completed if the flats are to remain as part of the Council's stock, despite significant concerns about future demand and associated housing management implications of letting the flats.
- 4.8 Initial consideration has been given to redesigning the interior layout of the block to facilitate a better household mix and/or an alternative use but costs are considered prohibitive and options are limited, particularly in an area where demand is low for all property types.
- 4.9 If demolished a significant open space would be created that could be considered for sale or for a use that would enhance the quality of the local environment and complement improvements being made to other Council owned stock within the community. Local residents have already enquired as to the possibility providing additional car parking for the Boys and Girls Club situated directly opposite the block, thereby improving a local community facility and this would be given consideration if approval were to be given to proceed with demolition.
- 4.10 In November 2017 the local ward Member presented a petition at Council, signed by 341 local residents. They believed that the Authority may have been considering alternative uses for the block known as 1 to 9, River Road, and called for it to be demolished, highlighting the negative impact the block was having on the community. The petition contained allegations of anti-social behaviour, drug dealing and drug use within the flats, and associated concerns for child safety. The petition was accompanied by many letters and comments from local residents, detailing their personal experiences of the flats, fears and concerns and highlighted residents' perception that since many of the tenants had been moved out of the block the situation had improved.
- 4.11 Following a review of available information and discussions with Police and the local Ward Member, together with consideration of the expenditure required to bring this block up to the WHQS, officers have concluded that Members should give consideration to the demolition of this block of flats.

### **The Grove**

- 4.12 The Grove, Fochriw is a three storey block located within the Darran Valley ward. It comprises two shop units at ground floor with two 2 bed flats located on each of the upper floors. The block has a central internal stairway providing access to the flats via the front of the building between the two shop units. Two neighbouring three storey blocks of flats were

previously demolished by Rhymney Valley District Council due to problems with anti-social behaviour and low demand but this block was retained, due in part, to the presence of the shops.

- 4.13 The two shop units known as 1 and 2, The Grove are currently let on a single 25 year lease, running from 2015, to a local company who operate a thriving general store and Post Office out of the premises. This is the only such enterprise within the village, located centrally, and officers recognise that the shop is an important local amenity, supporting sustainability of the community.
- 4.14 In addition to these flats the Council have 12 two bed bungalows, 34 two bed and 104 three bed houses in Fochriw. As highlighted in paragraph 4.5 there is very little demand in the Upper Rhymney Valley, including Fochriw, for first or second floor two bed flats, from couples or families, with waiting lists for two bed houses in the area also regularly exhausted. The location of the flats at The Grove is a traditional and natural congregation point within the village and they have previously been a repeated focus of anti-social and nuisance behaviour, thereby impacting on both tenants and the wider community.
- 4.15 In the last five years of letting the 4 flats had 16 different tenants with 10 ending their tenancies within a year highlighting the ongoing transient nature of these tenancies. Due to the anti-social behaviour, together with lack of demand and the need for significant investment prior to them being re-let, the flats have now effectively been 'mothballed', having been void and secured since April 2015, to prevent illegal access and discourage anti-social behaviour in the area.
- 4.16 If it were to be re-let the block now requires significant investment in order to achieve WHQS, which is likely to include renewal of the roof and external render and removal of the chimney stacks. The interior of the flats themselves are now in poor condition having had no WHQS investment to date, low rates of repair reporting and having been void for a considerable period of time.
- 4.17 The local ward Member and leaseholders of the shop are supportive of the flats remaining mothballed and have indicated that there has been a significant reduction in antisocial behaviour experienced in the vicinity of the block since the flats have been secured, which has had a positive impact on the ground floor business. The leaseholders have also demonstrated a willingness to consider relocation if required, to facilitate refurbishment or demolition of the block were the Council able to provide suitable alternative premises within the local community, but to date no such suitable alternative has been identified.
- 4.18 The potential feasibility of retaining the ground floor of the building for the shop business, whilst removing the structure of the upper floors and associated ongoing liability has been considered. Whilst it has been established that it would be technically possible to demolish the upper two floors whilst retaining the shops it is not considered a cost viable option at present. The demolition would need to be slow and measured and the shops below would need to shut for the duration for safety reasons. It is recognised that it may be cheaper option to demolish the block in its entirety and build a new shop if a funding opportunity arises in the future and it is hoped that opportunities may present themselves for this latter option, perhaps as part of a wider regeneration initiative.
- 4.19 Officers consider that demolition of the whole block would be an appropriate course of action but recognise the importance of supporting, as far as possible, the successful business currently trading out of the premises to the benefit of the local community. It is therefore, requested that Members consider approving the principle of demolition of the block but that the flats remain mothballed for the time being and that this decision to demolish not be implemented at least until the current commercial lease expires, a suitable alternative premises is identified for the business, or the ongoing liability incurred by the Council in maintaining the structure and exterior of the building whilst the flats are mothballed is no longer considered financially viable. During this interim period officers would also continue to actively investigate funding opportunities that may become available to the Authority in relation to the block and/or the shop business that would enable the business to remain in the community whilst allowing for demolition of all or part of the block.

## **5. WELL-BEING OF FUTURE GENERATIONS**

5.1 This report contributes to the Well-being Goals as set out in Links to Strategy above. It is consistent with the five ways of working as defined within the sustainable development principle in the Act in that it is:

- Long Term – supports the sustainability of cohesive communities for tenants and residents.
- Prevention – recognises and addresses the impact of low demand properties and anti-social behaviour on the wider community.
- Integration – provides for balanced and sustainable communities where people want to live.
- Collaboration – Joined up working arrangements within the organisation and with outside agencies to provide sustainable, stable and cohesive communities in pursuit of shared objectives.
- Involvement – Engaging with tenants, residents and local stakeholders in determining the most appropriate course of action.

## **6. EQUALITIES IMPLICATIONS**

6.1 An EIA screening has been completed in accordance with the Council's Strategic Equality Plan and supplementary guidance. No potential for unlawful discrimination and/or low level or minor negative impact has been identified, therefore a full EIA has not been carried out.

## **7. FINANCIAL IMPLICATIONS**

7.1 The anticipated cost of internal and external repairs and improvements to achieve WHQS at 1 to 9, River Road has been calculated at £150,000. This would be off-set by the demolition and clearance of the site which is broadly estimated at £100,000 inclusive of fees. There would therefore be a potential net saving of £50,000 however consideration will need to be given to possible future uses of the site. Landscaping of the site footprint has been estimated at £35,000.

7.2 The anticipated cost of internal and external repairs and improvements to achieve WHQS at 3 to 6, The Grove has been calculated at £135,000. This would be off-set by the demolition and clearance of the site which is broadly estimated at £50,000, inclusive of fees. There would therefore be a net saving of £85,000 however consideration will need to be given to possible future uses of the site.

7.3 The ongoing voids in River Road and The Grove have resulted in an ongoing loss of rental income. Anticipated rental loss for 2018/19 is £32,879 for River Road and £16,435 for the Grove. The reduction of thirteen flats would result in a minor adjustment to the housing stock which will have minimal impact in respect of rental income in view of the previous history of the areas.

## **8. PERSONNEL IMPLICATIONS**

8.1 Due to the specialist nature of the demolition work at River Road and The Grove an appropriate contractor would need to be appointed.

## **9. CONSULTATIONS**

9.1 The proposal to demolish the block of flats known as 1 to 9 River Road has been discussed with and actively supported by the local ward Member and Police. There are currently no tenants in the block with whom to consult, however, as mentioned previously, a petition has recently been received, signed by 341 local residents, calling for the demolition of the block.

- 9.2 Initial discussions have been held with the leaseholder of the shops and will continue at the relevant time should the property be demolished or refurbished.
- 9.3 Comments received from the Consultees listed below have been incorporated into this report.

## **10. RECOMMENDATIONS**

- 10.1 CHTG are asked to provide their views on the recommendations as set out below which will be provided to Policy and Resources Scrutiny Committee for information and presented to Cabinet together with the recommendations below:
- 10.1.1 That the block known as 1 to 9 River Road be demolished.
- 10.1.2 That the principle to proceed with demolition be agreed in respect of 1 to 6, The Grove, Fochriw, but that the demolition be deferred until the current lease of 1 and 2, The Grove expires, a suitable alternative premises is identified for the business currently operating out of the block or the ongoing liability incurred by the Council in maintaining the mothballed building is no longer considered financially viable.

## **11. REASONS FOR THE RECOMMENDATIONS**

- 11.1 Demolition is recommended due to a recognition of the ongoing lack of demand for such accommodation in the Upper Rhymney Valley, the level of investment required in order to achieve WHQS in these low demand blocks prior to them being re-let, and the significant impact of crime and antisocial behaviour associated with the letting and management of these blocks which is detrimental to the local communities.

## **12. STATUTORY POWER**

- 12.1 Housing Act 1985.

Author: Fiona Wilkins, Public Sector Housing Manager  
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Consultees: Christina Harrhy, Interim Chief Executive,  
David Street, Director of Social Services and Housing  
Councillor Lisa Phipps, Cabinet Member for Homes and Places  
Councillor Gaynor Oliver, Local Ward Member, Pontlottyn  
Councillor David Hardacre, Local Ward Member, Darran Valley  
Shaun Couzens, Chief Housing Officer  
Rachel Thornett, Tenancy Enforcement Manager  
Sandra Isaacs, Rents Manager  
Debbie Bishop, Area Housing Manager  
Mandy Betts, Tenant and Community Involvement Manager  
Paul Smythe, Housing Repair Operations Manager  
Richard Crane, Senior Solicitor  
Anwen Cullinane, Senior Policy Officer, Equalities and Welsh Language  
Lesley Allen, Principal Accountant  
Natalie Kenny, Community Safety  
Lisa Lane Interim Monitoring Officer



## CAERPHILLY HOMES TASK GROUP – 15TH MAY 2018

**SUBJECT: WALES AUDIT OFFICE REVIEW OF THE WHQS DELIVERY PROGRAMME**

**REPORT BY: CORPORATE DIRECTOR SOCIAL SERVICES AND HOUSING**

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### **1. PURPOSE OF REPORT**

- 1.1 To advise Members of a follow up review by the Wales Audit Office (WAO) on the Welsh Housing Quality Standard (WHQS) delivery programme following the previous report submitted to Cabinet on the 1<sup>st</sup> November 2017.

### **2. SUMMARY**

- 2.1 During March and April 2017, as part of the WAO performance audit plan, the WAO undertook a review of the Council's arrangements to deliver the WHQS by 2020.
- 2.2 At the time of the review, the WAO concluded that the *“majority of tenants homes remain below the WHQ Standard due to longstanding inefficient and ineffective programme management and the Council is unlikely to achieve the standard by 2020”*.
- 2.3 Whilst officers accepted the recommendations within the WAO report, they did not agree with the overall conclusions made, as it did not reflect the position of the programme and evidence to justify this view was provided in the report to Cabinet.
- 2.4 The WAO have now arranged for a follow up review to be conducted to determine whether the Council can demonstrate that it is meeting the commitments made to the Cabinet on the 1<sup>st</sup> November 2017.

### **3. LINKS TO STRATEGY**

- 3.1 This report links to the Single Integrated Plan 2013-2017 priority to “improve standards of housing and communities giving appropriate access to services across the county borough”.
- 3.2 Improving Lives and Communities: Homes in Wales 2010 which sets out the national context on meeting housing need, homelessness and housing related support services.
- 3.3 The National Housing Strategy ‘better homes for people in Wales’ sets out the Welsh Government’s vision ‘We want everyone in Wales to have the opportunity to live in good quality, affordable housing’.
- 3.4 Corporate Plan 2016/17 sets out the Corporate Priorities which includes ‘invest in our council homes and their communities to transform lives’.

- 3.5 This report links most closely to the following Well-being Goals within the Well-being of Future Generations Act (Wales) 2016:
- A prosperous Wales
  - A resilient Wales
  - A healthier Wales
  - A more equal Wales
  - A Wales of cohesive communities

#### 4. THE REPORT

- 4.1 As part of the 2016/17 performance audit plan, the WAO, during March and April 2017, undertook a review of the Council's arrangements to deliver the WHQS by 2020. WAO sought to answer the question "*does the Council have effective arrangements in place to enable it to meet the WHQS by 2020?*".
- 4.2 The WAO Review resulted in a number of recommendations which were set out in the Cabinet report of the 1<sup>st</sup> November 2017, together with comments from officers in response.
- 4.3 Progress made in addressing the recommendations were reviewed by a Cross Party Working Group which contained representations from the Policy & Resources Scrutiny Committee.
- 4.4 A report on the outcome of this review was presented to the Policy & Resources Scrutiny Committee on the 27<sup>th</sup> February 2018 and it was agreed that the recommendations had been progressed by the required timelines.
- 4.5 Following the Cabinet meeting held on the 1<sup>st</sup> November 2017 a commitment was made to the Council, WAO and Welsh Government that 75% of internal works and 40% of external works would be completed by the end of March 2018.
- 4.6 Following this commitment, the WAO have arranged to undertake a further review to determine whether the Council can demonstrate that it is meeting the commitments made to Cabinet on the 1<sup>st</sup> November, 2017 in an effective, economic and efficient way.
- 4.7 The review will enable the WAO to assess the Council's progress in addressing the recommendations and ensuring it has appropriate arrangements and systems in place to enable it to meet the WHQS by 2020.
- 4.8 The review being conducted by the WAO will be undertaken in two parts:-
- A Service User Perspective Review**, which will focus on the views from tenants and leaseholders in relation to their opinions of the WHQS programme, and
- A Follow Up Review**, which will determine whether the Council is meeting the commitments made to Cabinet on the 1<sup>st</sup> November 2017. Copies of the project briefs for both are attached as Appendix 1 and 2.
- 4.9 The Service User Perspective Review will involve a telephone survey of approximately 400 households, together with meetings of various tenant groups. This review is anticipated to take place during April/May 2018.
- 4.10 The follow up review will involve a review of various documents and reports to establish the Council's own assessment of progress, whilst the second stage of this review will involve interviews with officers, contractor representatives, tenant representatives and members. This second stage will test the accuracy of the Council's information. This review will be undertaken during May/June, 2018 with a final report anticipated to be issued in September, 2018.

- 4.11 The information that will be reviewed by the WAO in relation to progress achieved by the end of March, 2018 which will be provided by officers, is the following:-

External completions by 31/03/2018 =	4,754 properties (44%)
Internal completions by 31/03/2018 =	8,218 properties (76%)
Percentage of housing stock fully compliant =	34.6%

This information is based on manual records which are retained by the relevant Project Manager which mirrors the process previously assessed by the WAO. However this is in the process of being validated within Keystone which will provide the detail required on key components and assist with our future planned maintenance programme.

- 4.12 When considering the significant improvement in performance over the last 12 months for completions, together with the advancements made in surveying which assists with forward planning, officers remain confident that the completion of the WHQS programme by 2020 is achievable.

Housing stock (10,805) less external completions (4,754) = 6,051 remaining

Housing stock (10,805) less internal completions (8,218) = 2,587 remaining

- 4.13 A letter has been sent to Welsh Government from the Leader of Council advising of the above achievement and compliance with the commitments made to deliver 75% of internal completions and 40% of external completions by 31 March 2018.

## 5. CONCLUSIONS

- 5.1 The WAO have summarised their opinion of the Council's approach to delivering WHQS as:

*"The majority of tenants' homes remain below the WHQS due to longstanding, inefficient and ineffective programme management and the Council is unlikely to achieve the standard by 2020."* Clearly this was a view taken at the point the original review was undertaken.

- 5.2 Officers accepted further improvements need to be made and agreed with the recommendations set out by WAO. It is accepted that the recommendations were following the review during March/April 2017, however at that point in time significant changes were already in the process of being made and this has resulted in significant improvements having been realised.

- 5.3 Officers, therefore, remain of the view that the delivery of WHQS by 2020 is achievable although the programme remains challenging.

- 5.4 This pending review will assess the Council's position and result in a further report in September which will highlight their findings and the conclusions drawn.

## 6. WELL-BEING OF FUTURE GENERATIONS

- 6.1 The report outlines the contribution made towards the Well-being Goals as set out in the Links to Strategy section above. It is consistent with the five ways of working as defined within the sustainable development principle in the Act in that our processes have been developed in collaboration with Welsh Government and the local authority's housing partners, taking a long term approach to the development needs of the county borough. The programme itself assists the prevention agenda being delivered by our Homelessness Team and the affordable housing programme delivery plan integrates the work of the local authority alongside the work of the Housing Associations who themselves have similar aims.

## **7. EQUALITIES IMPLICATIONS**

- 7.1 An EIA screening has been completed in accordance with the Council's Strategic Equality Plan and supplementary guidance. No potential for unlawful discrimination and/or low level or minor negative impact has been identified; therefore a full EIA has not been carried out.

## **8. FINANCIAL IMPLICATIONS**

- 8.1 This report is for information; therefore there are no financial implications.

## **9. PERSONNEL IMPLICATIONS**

- 9.1 This report is for information; therefore there are no personnel implications.

## **10. CONSULTATIONS**

- 10.1 The report reflects any views of the consultees.

## **11. RECOMMENDATIONS**

- 11.1 This report is for information only.

## **12. REASONS FOR THE RECOMMENDATIONS**

- 12.1 To make members aware of the WAO follow up review on the delivery of the WHQS programme.

## **13. STATUTORY POWER**

- 13.1 Local Government Acts 1972 and 2003.

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Consultees: Cllr Lisa Phipps - Cabinet Member for Home and Places  
Dave Street - Corporate Director Social Services & Housing  
Marcus Lloyd - WHQS and Infrastructure Strategy Manager  
Jane Roberts Waite - Strategic Co-ordination Manager  
Steven Harris - Interim Head of Corporate Finance  
Alan Edmunds - WHQS Project Manager  
Steve Greedy - WHQS Project Manager  
Colin Roden - WHQS Project Manager  
Kath Webb - Relationship Manager  
Lesley Allen - Principal Accountant  
Rhys Lewis - Systems and Performance Manager

### Background Papers:

Cabinet Report – WAO Review of the WHQS Delivery Programme – 1 November 2017

### Appendices:

Appendix 1 – WAO Project Brief – Service User Perspective Review

Appendix 2 – WHQS Project Brief – Follow Up Review





WALES AUDIT OFFICE  
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Archwilydd Cyffredinol Cymru  
Auditor General for Wales

# Project Brief –Service User Perspective Review – **Caerphilly County Borough Council**

Audit year: 2017-18

Date issued: April 2018

Document reference: 506A2018-19

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[infoofficer@audit.wales](mailto:infoofficer@audit.wales).

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

This document was produced by Non Jenkins and Gareth Jones under the direction of Huw Rees.

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# Project brief

## Background

1. Our Wales Audit Office Local Government Audit Plans for 2017-18 set out our performance work for the year. These include a review relating to the Service User Perspective as follows: 'A user-focussed review. Specific area to be agreed with the Council.'
2. In many local government service areas, the ability of service users to influence services so that services meet their needs relies on 'voice' rather than 'choice.' In some services, there may not be any alternative providers. Alternatively, where there are alternative providers, service users have limited or no access to them for reasons such as cost or other barriers to access. This means that it is important for local government to ensure that it listens to the views of service users in designing and delivering services and interventions so that services meet people's needs, especially at a time of decreasing resources.
3. The context of decreasing resources for local government bodies provides additional impetus to ensure that services and interventions take into account the views, experiences and aspirations of service users. Ensuring that the experiences, views and aspirations of service users are taken into account when determining how and which services to reduce, increase or change in some other way increases the likelihood that services will meet people's need and therefore provide better value for money.
4. The Welsh Government's Local Government White Paper also emphasises the importance of working in partnership with citizens:
  - 'We want to develop a more equal partnership with citizens. The role of public services should be to support people to live independent lives and to seek to de-escalate demand, intervening only when necessary and only for as long as required. In doing so, the focus inevitably shifts to prevention and a public service which is able to put more effort into helping people to avoid crisis, rather than one which is focused on supporting people in crisis. This is about creating prudent public services for the future'.<sup>1</sup>
5. The Well-being of Future Generations Act 2015 (WFG Act) also places a requirement on local authorities and other public bodies to have regard for the sustainable development principle and the five ways of working that define it. 'Involvement' is one of the five ways of working identified in the WFG Act.
6. We are undertaking work to understand the 'service user perspective' at each Council during 2017-18. Whilst following a broadly similar approach at each Council, the specific focus and approach to undertaking the review will be discussed and agreed with each Council.

<sup>1</sup> Welsh Government, **White Paper Reforming Local Government: Resilient and Renewed**, January 2017.

## Purpose of the review

7. The purpose of this review is to enable the Wales Audit Office to gain assurance and insight into the extent to which services respond to the needs and expectations of service users both in their design and delivery, and take their views and aspirations into account. We will examine how service users feel they are able to influence the design and delivery of services and what changes to the design and delivery of services would help to better meet their needs, and the implications of this for value for money and achievement of intended outcomes.
8. Through reporting on service users' perspectives on service quality, accessibility and availability there is an opportunity to consider the impact of authorities' arrangements on the delivery of intended outcomes, and value for money.

## Focus of the review

9. This Service User Perspective review will focus on the Council's housing tenants and leaseholders.
10. In 2017, we undertook a review of the Council's progress towards meeting WHQS by 2020 and found that although 'the Council has a range of mechanisms to engage with tenants about WHQS these are ineffective and are not being used to shape planning and drive performance.' As part of this work we interviewed the six tenant representatives on the Caerphilly Homes Task Group.
11. The Council's response to this finding was that their own satisfaction surveys point to high levels of tenant satisfaction and that it would be more valuable if we were to speak to more tenants.
12. As part of this Service User Perspective review we will engage with and gather views from a larger number and a wider range of tenants in relation to their opinions of the Council's WHQS programme.
13. We will seek views from tenants and leaseholders on the quality and timeliness of the works, the communications and service they receive from the Council, and whether they feel listened to/able to influence the WHQS programme.

## Method

14. We will undertake the review through a combination of document reviews, meetings with existing tenant representative groups, and a telephone survey of a sample of Council tenants and leaseholders. We will also arrange focus groups in four sheltered housing schemes to speak to residents about their experiences.
15. Our initial document request is set out later in this document.
16. We recognise that whilst we will not be able to speak to every tenant, our engagement with a larger sample of tenants will enable us to better understand their perspectives and provide us with key messages and themes that we can

present and explore with the Council. We will agree with the Council the best way to feed back our findings.

17. We may also draw on the findings of this Service User Perspective review to inform our planned WHQS follow-up work in 2018-19.
18. In developing this review, we have had regard for the National Principles for Public Engagement<sup>2</sup> developed by Participation Cymru. The table below briefly sets out how we have done this.

### Exhibit 1: National Principles for Public Engagement

The table below sets out the National Principles of Public Engagement developed by Participation Cymru and how we will have regard for them in undertaking this review.

Principle	Wales Audit Office Approach
Engagement is effectively designed to make a difference	The review will allow tenants the opportunity to tell us how they feel about the WHQS improvement works to their homes, whether those have been completed or not. We will use the information gathered from our engagement with tenants to identify key themes and aspects for the Council to consider and explore when engaging with tenants throughout the remainder of its WHQS programme.
Encourage and enable everyone affected to be involved, if they so choose	As well as working with the Council's existing tenant participation groups we will also seek to engage other tenants through the use of a telephone survey. We will seek to identify tenants who were due to receive works but did not. We would request that the Council support this review by ensuring tenants are aware of it and that they may be contacted to take part in the telephone survey. This could be through a letter that is sent by the council to its tenants or/and through other means.
Engagement is planned and delivered in a timely and appropriate way	We will discuss the timing of the engagement of tenants with the Council. The timing of fieldwork will allow the Council the opportunity to inform tenants about the timing and focus of the survey.
Work with relevant partner organisations	The Wales Audit Office will explore opportunities to work with relevant partner and third-sector organisations, such as Tai Pawb.
The information provided will be jargon free, appropriate and understandable	The telephone survey company will be required to offer surveys in English and Welsh. We will ask the survey company to make arrangements to meet the language needs of those people who speak other languages. All information will be bilingual and comply with the Wales Audit Office's standards for clarity and accessibility. Information about the survey will be available to tenants in a variety of formats upon request.

<sup>2</sup> Participation Cymru, [National Principles for Public Engagement](#)

Principle	Wales Audit Office Approach
Make it easier for people to take part	The Wales Audit Office will use a selection of engagement mechanisms to ensure that tenants can take part. The survey company will be asked to offer appointments at convenient times for people and also to survey in the evening and also at weekends. The survey company will be required to offer equal access to respondents whose first language is English or Welsh. We will ask the survey company to make arrangements to meet the language needs of those people who speak other languages. We will work with the managers of sheltered housing schemes to understand any access needs of residents when planning and undertaking focus group sessions.
Enable people to take part effectively	Telephone surveys will be carried out at times of the day that suit respondents and arrangements will be made for follow-up interviews. Focus groups and interviews will follow standard Wales Audit Office practice in ensuring that the views of all participants are heard.
Engagement is given the right resources and support to be effective	We will train Wales Audit Office staff involved in delivery in effective engagement and facilitation. We will provide appropriate and sufficient resources to ensure effective delivery. This may include commissioning an external organisation to undertake aspects of the engagement work.
People are told the impact of their contribution	We will make all participants aware of how we will use the information they share. We will tell all participants that we may publish any final report for the review on the Council website and Wales Audit Office website for them to access. We will discuss with the Council opportunities for sharing a summary of our findings with Council tenants.
Learn and share lessons to improve the process of engagement	We will gather feedback from a range of participants as the study progresses. We will consider the feedback as part of the Wales Audit Office post review learning exercise.

## Main review questions

### Exhibit 2: Main Review Questions

The table below sets out the main questions we will seek to answer in undertaking this review.

Level One
<ul style="list-style-type: none"><li>• Are tenants and leaseholders satisfied with the quality of services they receive from the Council's WHQS programme?</li></ul>
Level Two
<ul style="list-style-type: none"><li>• Are tenants and leaseholders satisfied with the information about the progress of the works (planned and completed)?</li></ul>
<ul style="list-style-type: none"><li>• Are tenants and leaseholders satisfied with the timeliness of planned works?</li></ul>
<ul style="list-style-type: none"><li>• Are tenants and leaseholders satisfied with the quality of the works?</li></ul>
<ul style="list-style-type: none"><li>• Can tenants and leaseholders influence the works to their homes?</li></ul>
<ul style="list-style-type: none"><li>• Can tenants and leaseholders quickly and easily contact the Council?</li></ul>

## Output

19. We will agree with the Council the best way to feed back our findings. We will discuss with the Council opportunities for sharing a summary of our findings with Council tenants and leaseholders (where they indicate that they would like to receive this information). Our final feedback may also be made available on our website.
20. We may also draw on the findings of this Service User Perspective review to inform our planned WHQS follow-up work in 2018-19.



## Timetable

### Exhibit 3: Timetable

The table below sets out a proposed outline timetable for the review at the Council.

Proposed timetable	
Draft Project Brief issued	March 2018
Set up meeting/Discussion with the Council	March 2018
Final project brief issued	April 2018
Fieldwork – Telephone Survey and Focus Groups	April to May 2018
Output issued	June 2018

## Wales Audit Office contacts

### Exhibit 4: Wales Audit Office Contacts

The table below sets out the Wales Audit Office team that will be working on this review at the Council.

Name	Contact details
Performance Audit Director	Huw Rees <a href="mailto:Huw.Rees@audit.wales">Huw.Rees@audit.wales</a> 02920 320599
Performance Audit Manager	Non Jenkins <a href="mailto:Non.Jenkins@audit.wales">Non.Jenkins@audit.wales</a> 07879 848671
Performance Audit Lead	Gareth Jones <a href="mailto:Gareth.Jones@audit.wales">Gareth.Jones@audit.wales</a> 07970 737433
Performance Specialist	Kevin Sutch <a href="mailto:Kevin.Sutch@audit.wales">Kevin.Sutch@audit.wales</a>

# Appendix 1

## Fieldwork schedule

### Telephone survey

We will commission an external company to survey a sample of Council tenants and leaseholders. We will seek a sample of around 400 tenants and leaseholders. The survey sample will broadly reflect the proportions of tenants and leaseholders, as well as the completion status of homes, across the County Borough. We will work with the Council to obtain the necessary information to achieve the intended sample.

### Focus Groups

#### Exhibit 5: Focus Groups

The table below sets out the list of the focus groups we would like to run with service users as part of this review.

We will work with the Council to arrange times for these focus groups that are convenient to tenants, for example, by organising the focus groups at the end of any existing meetings of the groups where possible.

The focus groups in sheltered accommodation will be developed in conjunction with relevant Council staff and the managers of those schemes. The focus groups will be organised sensitively for a maximum of six people to enable everyone to have an opportunity to share their views.

<b>Focus Groups – Tenants</b>
Tenant members of Caerphilly Homes Task Group
Tenant members of the Repairs and Improvement Group
Focus groups of residents in four sheltered housing schemes and relevant managers/advocates

# Appendix 2

## Document and information request

The following is a list of documents we wish to review. The list is not exhaustive and we may request additional documents during the course of the review.

Where documents in the list below are publicly available on the Council's website, please direct us to where we can find them.

If there are additional documents that the Council feel help demonstrate their progress, please provide these to us with an appropriate explanation.

### Exhibit 7: document and information request

Document Title
Tenant Participation Strategy
The past two tenant satisfaction surveys and results
Terms of reference and membership of the Caerphilly Homes Task Group
Terms of reference and membership of the Repairs and Improvement Group
Information about the role of the tenants who are the Caerphilly Service Improvement Monitors (CSIMs) and any reports produced by these tenants around WHQS since 1 January 2017
Tenants' newsletters since 1 January 2017
Tenant Communication Strategy

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# Project Brief – Welsh Housing Quality Standard follow up – **Caerphilly County Borough Council**

Audit year: 2017-18 and 2018-19

Date issued: April 2018

Document reference: 507A2018-19

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This document was produced by Ron Price, Gareth Jones, Allison Rees, Nick Selwyn and Non Jenkins under the direction of Huw Rees.

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# Project brief

## Background

1. This review will look at the progress made by the Council in meeting the Welsh Housing Quality Standard (WHQS), following our report published in June 2017 and reported to Cabinet on 1 November 2017.
2. Following discussions with the Council, we agreed to undertake a detailed WHQS follow-up after March 2018, a year on since we undertook our fieldwork for our 2017 WHQS review.
3. Investment in Council homes to transform lives and communities through its WHQS programme has been a long standing Council objective and is one of the Council's five Well-being objectives for 2017-18.
4. The Council owns 10,821 properties. Within its 2016-17 Corporate Plan, the Council had set a target of ensuring that by March 2017, 1,263 of all its homes were brought up to the WHQS – this included targets for 2,071 homes to be compliant with the WHQS in respect of their external elements and 1,992 homes to be compliant with the WHQS in respect of their internal elements. The Council did not meet these targets and by March 2017, 552 of the Council's homes fully met the WHQS.
5. The Council has set up a Caerphilly Homes Task group, which involves representatives from the Council and tenants to discuss progress with meeting the WHQS and the improvements to the housing service.
6. As part of our 2016-17 performance audit work we carried out a review of whether the Council had effective arrangements in place to enable it to meet the WHQS by 2020.
7. We concluded in July 2017, **that the majority of tenants' homes remain below the Welsh Housing Quality Standard (WHQS) due to longstanding inefficient and ineffective programme management and the Council was unlikely to achieve the Standard by 2020.** We came to this conclusion because:
  - the majority of tenants' homes remain below the WHQS and the Council was making insufficient progress to achieve the Standard by 2020;
  - there were weaknesses in the Council's arrangements to meet its statutory landlord responsibilities;
  - the Council had not met all the minimum requirements of the Welsh Government's WHQS policy because it lacked a comprehensive programme that set out to stakeholders how it will meet the Standard by 2020;
  - the Council did not have adequate and up-to-date stock condition information to enable it to shape its housing investment programme;
  - the Council had a range of mechanisms to engage with tenants about the WHQS but these were ineffective and were not being used to shape planning and drive performance;



- the Council is unable to ensure that it was achieving value for money in delivering its WHQS works; and
  - arrangements to oversee, challenge, monitor and scrutinise the progress of the WHQS programme were weak and failed to provide sufficient oversight of the totality of the programme.
8. To support the Council in making the required improvement we made a number of statutory recommendations as shown in **Exhibit 1** below. The Council was required (as per the Local Government Measure) to prepare a statement of any action that it proposed to take as a result of the report, and its proposed timetable for taking that action. This had to be prepared within 30 days of receipt of the report.

**Exhibit 1: Statutory Recommendations on action required to achieve the WHQS by 2020**

<b>Recommendations</b>	
<b>The Council should take urgent action to achieve WHQS by 2020. It should:</b>	
R1	<p>By September 2017, develop a comprehensive, overarching, financial and operational programme setting out how the Council will achieve the WHQS by 2020. This programme should:</p> <ul style="list-style-type: none"> <li>• establish the full scope of investment needed in the Council's housing stock based on accurate, comprehensive and up-to-date stock condition information;</li> <li>• set out how the Council, by March 2018, will: <ul style="list-style-type: none"> <li>– review its procurement arrangements to ensure value for money;</li> <li>– provide clear and transparent information to members and tenants about the current position of the programme and a commitment to stakeholders with accurate projected completion dates; and</li> <li>– secure the resources needed to deliver the programme by 2020;</li> </ul> </li> <li>• contain clear and measurable milestones and relevant performance measures for delivering the programme up to 2020; and</li> <li>• set out the programme management, governance and accountability responsibilities and arrangements so that urgent remedial action can be taken if further slippage occurs and those tasked with delivering the programme can be held to account at appropriate decision making levels.</li> </ul>
R2	<p>Assure itself that it is meeting its statutory landlord responsibilities by ensuring that:</p> <ul style="list-style-type: none"> <li>• all properties have a valid gas safety certificate in place, or are having the Council's non-compliance arrangements applied to them fully; and</li> <li>• arrangements for undertaking asbestos surveys and recording the results of these surveys are robust.</li> </ul>
R3	<p>Ensure it has sufficient project management capacity to deliver the Council's WHQS programme effectively by 2020.</p>

9. The Council met the requirement to prepare a statement of action, which was subject to Cabinet endorsement, within the required timescale. Both our WHQS report and a more detailed response and statement of action from the Council's officers were presented to Cabinet on 1st November 2017. At that Cabinet meeting, and at a subsequent meeting of the Council's Policy and Resources Committee on 14th November 2017 officers and Members made the following commitment: **'Whilst accepting that the completion of the programme by 2020 is challenging based on the current position and anticipated projections, 75% of internal works and 40% of external works are expected to be completed by March 2018. By March 2019, 94% of internal works are expected to be completed and 80% of external works. There is a plan and resources in place to complete the programme by 2020. Officers consider that the measures put in place have resulted in a significantly increased and focused rate of completions and are confident that the programme will be completed by 2020.'**

## Purpose and focus of the review

10. The purpose and focus of this review is to determine whether the Council can demonstrate that it is meeting the commitments made to the Cabinet on 1 November 2017 in an effective, economic and efficient way. This will enable us to assess the Council's progress in addressing our statutory recommendations and ensuring it has appropriate arrangements and systems in place to enable it to meet the WHQS by 2020.
11. Between March and June 2018, in parallel with this review, we are undertaking a Service User Perspective review of tenants who live in Caerphilly County Borough Council owned dwellings. We will utilise the findings of that review to inform and shape the final work details of this review.

## Methodology

12. We will undertake this project in two stages. During the first stage we will review the Council's progress reports to Cabinet, Scrutiny and Caerphilly Homes task group since 1 November 2017 on WHQS. We will review the minutes of those meetings. We will also review the Council's reports to the Welsh Government on WHQS since 1 November 2017. In this first stage of the review we will establish the Council's own assessment of progress in meeting its commitments and the progress since our 2017 review. During the second stage we will interview officers, contractor representatives, tenants' representatives and members. This second stage of the review will test the accuracy of the Council's information. We will seek to verify the Council's progress to the end of March 2018 and the effect of that progress on the Council's achievement of the WHQS by 2020.

13. Our initial document request and proposed interviewees are set out below.

## Interviews and observations

14. The following is a list of people we would like to interview. The list is not exhaustive and will be informed by discussions with the Council and information provided to us:
- Chair – Caerphilly Homes Task Group
  - Director of Social Services and Housing
  - Interim Chief Executive/Former Corporate Director for Communities
  - Cabinet member for Homes and Places
  - Lead Officer for WHQS
  - Head of Housing
  - Chair of relevant Scrutiny Committee
  - Observation of/discussion with Caerphilly Homes Task group
  - Observation of/discussion with Tenant/officer repairs working group
  - Officer responsible for managing stock condition information, survey and attributes database
  - Senior representatives of the two contractors working on the internal WHQS works
  - Senior representatives of a selection of contractors working on the external WHQS works
  - Principal accountant with responsibility for the Housing Revenue Account
  - Head of the Direct Labour Organisation (DLO)
  - Focus group with staff from the DLO
15. We will also need to access the housing stock condition/asset database to reconcile and test the accuracy of stock condition information and WHQS delivery.

## Document request list

16. The following is a list of documents we want to review. The list is not exhaustive and requests for additional documents may be made during the course of the review. Where documents in the list below are publicly available on the Council's website, please direct us to where we can find them.

If there are additional documents that the Council feel help demonstrate their progress, please provide these to us with an appropriate explanation:

- Housing Revenue Account Business Plan
- WHQS Project Plan
- Organisation Chart for Housing and DLO services

- All Progress reports to and minutes of the Cabinet, Scrutiny and Caerphilly Homes task group relating to WHQS since 1 November 2017
- WHQS budget, resource and financial information
- Stock condition survey information and progress information on completing in-house surveys of stock condition
- Stock improvement and maintenance programme
- Performance indicators used to monitor progress with implementing the WHQS
- Reports provided to Welsh Government on the WHQS since 1 November 2017

## Output

17. The conclusions of our review will be set out in a report to the Council, and will be summarised in our Annual Improvement Report.

## Timetable

18. The Council will collate its end of 2017-18 financial year WHQS position during May 2018. We therefore propose to schedule the fieldwork for early June 2018.

### Exhibit 2: proposed timetable

Proposed timetable	
Project Brief Issued and project set up	March/April 2018
Document Review	May 2018
On site fieldwork/interviews	June 2018
Draft report issued	July/August 2018
Final report issued	September 2018

## Wales Audit Office contacts for the review

### Exhibit 3: contacts

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19. Other colleagues may also be involved where relevant to the work.

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We welcome correspondence and telephone calls in Welsh and English.  
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.



## CAERPHILLY HOMES TASK GROUP – 15TH MAY 2018

**SUBJECT: WHQS – CONTRACTOR COMMUNITY FUND**

**REPORT BY: CORPORATE DIRECTOR – SOCIAL SERVICES & HOUSING**

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### **1. PURPOSE OF REPORT**

- 1.1 To provide an overview of the community funds created by the Council's WHQS internal works and supply partner contractors as part of their non-core contractual obligations.

### **2. SUMMARY**

- 2.1 Following the ballot in February 2012, the Council agreed that it would deliver the promises made in its Offer Document to tenants and deliver the Welsh Housing Quality Standard by March 2020. The Council also agreed that its capital investment in homes would deliver social outcomes to 'transform lives and communities'. The deadline for delivery of the Welsh Housing Quality Standard is now December 2020.
- 2.2 In order to deliver the ambition of ensuring that the Council's investment in homes also created new opportunities to transform lives and communities, a series of core requirements (mandatory) and non-core (non mandatory) requirements were built into the WHQS internal works contracts and also the Council's Supply Partner contract with Robert Price.
- 2.3 The core requirements include a number of employment related minimum targets which must be delivered alongside the main contract requirements. The non-core requirements include a number of non mandatory requests that include the adoption of the living wage for example and the creation of a community fund.
- 2.4 The community funds created in response to the non-core obligations have been created at the discretion of the contractors and held and administered by the contractors. There is no constitutional mechanism for the Council to hold and distribute such monies.
- 2.5 It should be noted that the use of the funds has been largely determined via discussions with each contractor and the Council has no direct ability to influence their usage.

### **3. LINKS TO STRATEGY**

- 3.1 The Welsh Housing Quality Standard (WHQS) is intended to ensure that all local authority and housing association homes are improved and maintained to specified standards.
- 3.2 The Council is committed to ensuring that the WHQS investment transforms not only homes but also lives and communities.
- 3.3 The Council's Local Housing Strategy "People, Property, and Places" has the following aim:

*"To provide good quality, well managed houses in communities where people want to live, and offer people housing choices which meet their needs and aspirations."*

- 3.4 The delivery of community benefits is coterminous with the aims of the Wellbeing of Future Generations (Wales) Act 2015 which requires public bodies to work towards a shared vision comprising 7 goals and adopt the 5 “Ways of Working”. The goals and the 5 Ways of Working underpin the delivery of the programme and include planning and acting for the long term, integration, involvement, collaboration and prevention.
- 3.5 The delivery of community benefits links directly with the goal identified in the Future Generations Act to create a more prosperous Wales through helping to directly create new opportunities for individuals and communities.
- 3.6 The creation of community benefits also relates directly to the ambition to create a resilient Wales. The inclusion of Community Benefits as a core requirement into the contracts has created additional employment and training opportunities for local people which creates greater financial resilience on an individual basis; helps sustain the local economy and build resilient communities. The added value delivered via the non-core commitments to work with local schools and support local communities through the use of community funds also contributes towards the creation of a more resilient Wales.
- 3.7 The delivery of community benefits is coterminous with the goal to create healthier communities through improving access to employment and opportunities to increase skills and learning which in turn contributes towards improved mental health and overall well being.
- 3.8 It will directly assist in the development of cohesive communities through supporting the delivery of community activities and facilities designed to increase the resilience, viability, connectivity and safety of communities.

#### **4. THE REPORT**

- 4.1 In February 2012 tenants voted overwhelmingly for the Council to retain its housing stock as opposed to transferring its homes to a registered social landlord. As a result the Council made an ambitious commitment to utilise its £200m capital investment not only to transform homes but also lives and communities.
- 4.2 In order to deliver against this ambition the Council included a suite of core (mandatory) and non-core (non mandatory) requirements into its internal works and supply partner contracts. Included in the non-core requirements was a request for each contractor to create a community fund to support the delivery of community projects identified by the community regeneration team through their engagement with local communities. The aim at that time was to add value to existing initiatives underway throughout the borough.
- 4.3 The projects supported must benefit the community, leave a lasting legacy and meet the aims of the Future Generations Act.
- 4.4 Due to the fact that the requirement to create a community fund was non-core, the Council is unable to specify the exact amount that its contractors should allocate. Furthermore, it should be noted that the Council has no mechanism to hold the funds created by the contractors and hence the monies are retained by the Contractors and used at their discretion. There is no specific amount that the contractors have to set aside as part of the contract.
- 4.5 In the south of the county borough, Contract Services agreed to contribute 0.25% of their annual turnover towards the creation of a community fund which in Spring 2017 amounted to £12,859. The funding was to be used to support the refurbishment of the male toilets at St Martin’s School, Caerphilly.
- 4.6 St Martin’s is one of the largest schools in Caerphilly County Borough and serves a significant number of young people from Lansbury Park, Wales’ most deprived community. Through discussions with the Head and the Family Intervention Worker it was suggested that the



attendance and attainment at school of young males had become problematic largely due to the condition and layout of the main toilets. The male toilets were in a poor condition and their layout intimidating. Some young people were refusing to use them and as a consequence would return home to use the toilets and subsequently not return to school; some would return home after swimming and not return to school due to the fact that there were no hair drying facilities and some were using the layout of the toilets to bully other young people. The school had already invested in its female toilets due to similar issues but could not afford to undertake similar improvement work to the male facilities.

- 4.7 As a result, Contract Services (who had been working in Lansbury Park at that time) in partnership with Robert Price and their suppliers agreed to undertake the work necessary. Contract Services agreed to contribute the cost of labour towards the project (amounting to the cost of their community fund allocation), Robert Price and their supplier contributed £11,000 towards the project (products) and community regeneration a further £11,000 for cubicles. Whilst Contract Services started the project during the summer 2017, they failed to finish the improvement works due to the fact that the company went into administration. As a consequence, the Council via its Housing Repair Operations team completed the outstanding work. A copy of the press release is attached as appendix A.
- 4.8 In relation to Vinci, it took until 2016 for them to agree to establish a community fund based upon 0.25% of their turnover as a result of the contract. In Autumn 2017, the amount available within the fund amounted to £11,750 and was used to finance the labour costs associated with the installation of a new kitchen in Gilfach community centre. The community of Gilfach have been recipients of WHQS works undertaken by Vinci and were in desperate need of an improved community kitchen. The amount within the community fund was donated in the form of labour and the materials utilised were provided by Robert Price's kitchen supplier, Rixonway (£3,500). By the time the project was completed the labour costs donated by Vinci exceeded the £11, 750 contained within the Fund.
- 4.9 Keepmoat (now called Engie), agreed at the start of the contract to contribute £2,500 per annum towards the creation of a community fund. However, as part of delivering against their core contract commitments to work with local schools they have opted to take part in the Careers Wales Business Class programme which aims to bring businesses and schools together in a structured way. As a result, Keepmoat have predominantly chosen to use their community fund allocation to support projects that are over and above the core business class programme. Council officers have raised concerns with regard to the use of a non-core benefit to deliver what is essentially a core requirement of the contract but requests to consider increasing the allocation and delivering the core objectives separately to the non-core have not been forthcoming. A spreadsheet containing the activities undertaken involving Blackwood Comprehensive School and its feeder primary schools is attached as appendix B. Additional projects such as the creation of a sensory garden for the residents of Brondeg Day Centre have also been delivered as a result of the community fund (press release and case studies attached as appendix C).
- 4.10 Robert Price, the Council's WHQS Supply Partner have also created a community fund. Since the start of the contract in 2013, Robert Price and their supply chain have allocated £26,310 to their Fund. The majority of the fund has been used to support the refurbishment of St Martin's School toilets (£11,000) and a new kitchen for Gilfach Community Centre (£3,500). The remaining monies have been utilised to sponsor the Caerphilly Learning Festival and the purchase of hand tools for a community toolbank in Graig Y Rhacca. There is currently circa £10,000 available within the Robert Price community fund. The Robert Price community fund is in addition to the donation of materials for community events and the sponsorship of various awards and initiatives, e.g. annual food bank.

## **5. WELL-BEING OF FUTURE GENERATIONS**

- 5.1 The WHQS programme contributes to the Well-being Goals as set out in Links to Strategy above. It is consistent with the five ways of working as defined within the sustainable development principle in the Act as outlined in section 3.

## **6. EQUALITIES IMPLICATIONS**

- 6.1 This is an information report; therefore there are no potential equality implications and no requirement to complete a full Equalities Impact Assessment.

## **7. FINANCIAL IMPLICATIONS**

- 7.1 There are no direct financial implications resulting from the non-core contractual requirements to create a community fund.

## **8. PERSONNEL IMPLICATIONS**

- 8.1 There are no direct personnel implications arising from the report.

## **9. CONSULTATIONS**

- 9.1 Responses from consultees have been incorporated within this report.

## **10. RECOMMENDATIONS**

- 10.1 The report is for information only. Members are asked to note the contents.

## **11. REASONS FOR THE RECOMMENDATIONS**

- 11.1 To advise members of the current position in respect of the delivery of activities relating to the Council's Welsh Housing Quality Standard programme.

## **12. STATUTORY POWER**

- 12.1 Housing Acts 1985, 1996, 2004,2014 and Local Government Act 2000.

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Consultees: Cllr Lisa Phipps, Cabinet Member for Homes and Places  
Dave Street, Corporate Director – Social Services and Housing  
Shaun Couzens, Chief Housing Officer  
Kath Webb, Supplier Relationship Manager  
Tina McMahon, Community Regeneration Manager



## **CAERPHILLY HOMES TASK GROUP – 17TH MAY 2018**

**SUBJECT: AFFORDABLE HOMES IN NEW DEVELOPMENTS**

**REPORT BY: CORPORATE DIRECTOR SOCIAL SERVICES AND HOUSING**

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1.1 The attached report was presented to the Policy and Resources Scrutiny Committee on 10th April 2018 and is presented now for information to the Caerphilly Homes Task Group.

Author: R. Barrett, Committee Services Officer, Ext. 4245

Appendices:

Appendix 1 Report to Policy and Resources Scrutiny Committee on 10th April 2018 - Agenda Item 10

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## **POLICY AND RESOURCES SCRUTINY COMMITTEE – 10TH APRIL 2018**

**SUBJECT: AFFORDABLE HOMES IN NEW DEVELOPMENTS**

**REPORT BY: INTERIM HEAD OF PLANNING**

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### **1. PURPOSE OF REPORT**

- 1.1 To provide an update on the delivery of Affordable Housing through the planning process and other mechanisms.

### **2. SUMMARY**

- 2.1 It is a statutory requirement that the Council submits an Annual Monitoring Report (AMR) to the Welsh Government (WG) that monitors whether or not the Caerphilly County Borough Local Development Plan up to 2021 is being implemented successfully. The overall purpose of the AMR is to identify whether the LDP Strategy, or any the Strategy Policies are not being implemented and if they are not identify steps to rectify this.
- 2.2 The delivery of affordable housing through the planning system forms part of the monitoring process. The AMR is reported to Council in October of each year and includes figures on the number of affordable units that have been delivered during the monitoring period 1<sup>st</sup> April to 31<sup>st</sup> March each year, together with the cumulative number of affordable units that have been delivered specifically through the planning system and through all delivery mechanisms.
- 2.3 Members have requested a six monthly update to be considered by Scrutiny Committee in April of each year to consider the overall delivery of affordable housing, and site specific delivery against the area-specific targets set out within the LDP. This report provides information on the number of affordable houses that have been built through the planning system during the LDP plan period, together with the amount of affordable housing secured in each year as part of Section 106 agreements. The report also contains information on the number of affordable units delivered through other mechanisms.

### **3. LINKS TO STRATEGY**

- 3.1 The Well-being of Future Generations Act (Wales) 2015 comprises seven wellbeing goals as follows:
- A prosperous Wales
  - A resilient Wales
  - A healthier Wales
  - A more equal Wales
  - A Wales of cohesive communities
  - A Wales of vibrant culture and thriving Welsh language
  - A globally responsible Wales.

- 3.2 Sustainable Development has been at the heart of the planning system, its policies and practices since the introduction of Planning Policy Wales in 2002. Therefore the seven well-being goals and five governance principles of the Act are already enshrined in the Caerphilly County Borough Local Development Plan up to 2021 through the plan preparation process and implemented when decisions on planning applications are made. The LDP embodies the land-use proposals and policies of the Council and will contribute to the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015.
- 3.3 The Council has a statutory duty to prepare and review a Local Development Plan for its area to provide the policy framework for the development and use of land within the County Borough. On 23 November 2010, the Council formally adopted the Caerphilly County Borough Local Development Plan up to 2021(LDP) and has since been monitoring the progress of the plan through its Annual Monitoring Report (AMR).
- 3.4 It also links to *People, Property & Places: A Housing Strategy for Caerphilly County Borough*, specifically aim 5 “to meet housing requirements through the provision of a range of good quality, affordable housing options” and aim 9 “to meet housing requirements and promote sustainable mixed communities through the Land Use Planning Framework.”
- 3.5 The delivery of affordable homes in Caerphilly County Borough will also contribute to the Welsh Government’s target of delivering 20,000 affordable homes within the current administration.

#### **4. THE REPORT**

- 4.1 It is a statutory requirement that the Council submits an Annual Monitoring Report (AMR) to the Welsh Government (WG) that monitors whether or not the Caerphilly County Borough Local Development Plan up to 2021 is being implemented successfully. The overall purpose of the AMR is to identify whether the LDP Strategy, or any the Strategy Policies are not being implemented and if they are not identify steps to rectify this.
- 4.2 The delivery of affordable housing through the planning system forms part of the monitoring process. The AMR is reported to Council in October of each year and includes figures on the number of affordable units that have been delivered during the monitoring period 1st April to 31st March each year, together with the cumulative number of affordable units that have been delivered specifically through the planning system and through all delivery mechanisms.
- 4.3 Members have requested a six monthly update to be considered by Scrutiny Committee in April of each year to consider the overall delivery of affordable housing, and site specific delivery against the area-specific targets set out within the LDP.

##### **Local Development Plan**

- 4.4 The Caerphilly County Borough Local Development Plan up to 2021 (LDP) is the statutory framework for the development and use of land within the county borough.
- 4.5 Policy SP15 of the LDP and its supporting text identifies an affordable housing target of at least 964 units to be delivered through the planning system through the use of planning obligations (Section 106 agreements) on qualifying sites, and through affordable housing exceptions proposals over the lifetime of the LDP. The delivery of affordable housing through the planning system will make a contribution towards meeting housing need.
- 4.6 The delivery of affordable housing through the planning system is through the implementation of Policy CW11 which states:

*Legal agreements will be required to ensure that there is provision of an element of affordable housing, in accordance with an assessment of local need, for all allocated and windfall housing sites that:*

- A Accommodate 5 or more dwellings; or
- B Exceed 0.15 ha in gross site area, or
- C Where the combined product of adjacent housing site proposals would exceed the thresholds set in A or B above

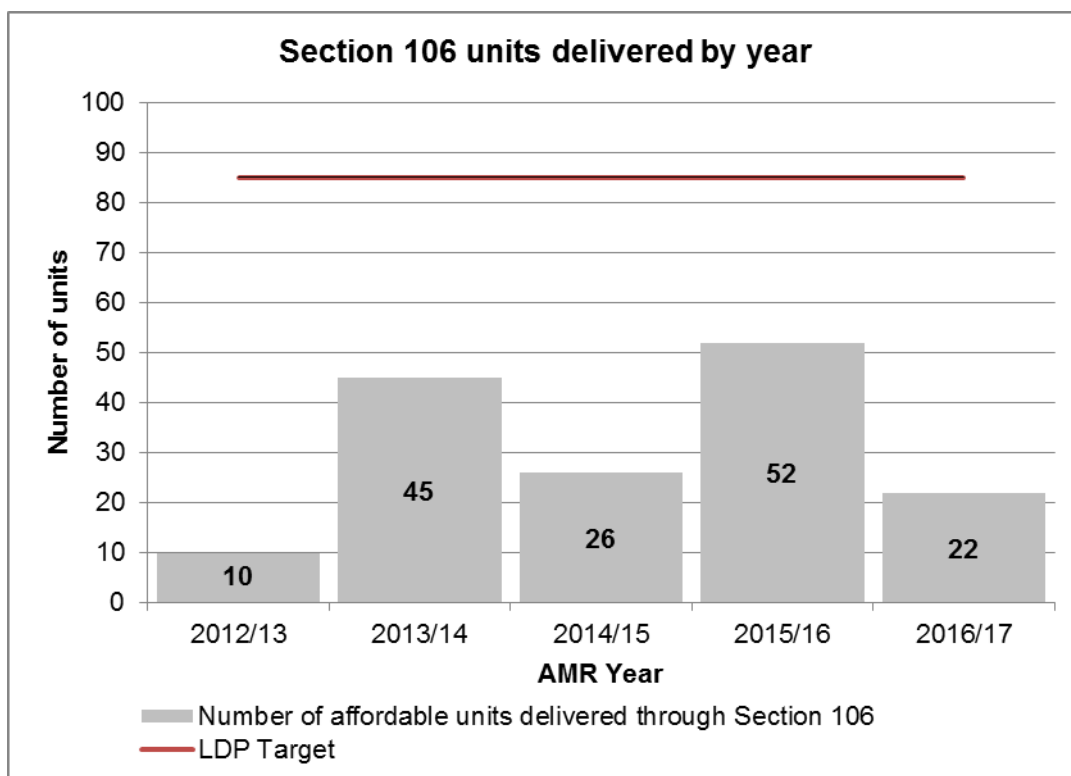
Where there is evidence of need, the Council will seek to negotiate the following affordable housing targets of:

- o 40% of the total number of dwellings proposed on sites within the Caerphilly Basin (excluding Aber Valley);
- o 25% in the Northern Connections Corridor (excluding Newbridge); and
- o 10% in the Rest of Caerphilly County Borough (including Aber Valley and Newbridge but excluding the Heads of the Valleys Regeneration Area)

4.7 As of the 2017 AMR, 251 affordable units had been built since the start of the plan period, which is less than a third of the overall target. A total of 96 of these units were built before the adoption of the LDP. All of these units had been secured through Section 106 agreements, with no units being delivered through the affordable housing exceptions policy to date.

4.8 Figure 1 shows the number of affordable units delivered by year as part of Section 106 agreements in the years since the LDP was adopted. It should be noted that the AMR uses information from the last published Joint Housing Land Availability Study (JHLAS), which relates to the previous year. Figure 1 also includes a comparison against the Affordable Housing Target set out in LDP Policy SP15 in annual terms, which equates to 85 units a year for the period between adoption and the end of the plan period. It will be noted that the actual number of units delivered through Section 106 agreements is significantly lower than the annual target.

**Figure 1 Section 106 units delivered by year**



Source: Caerphilly Annual Monitoring Reports

- 4.9 There are multiple reasons why affordable housing delivery has been lower than expected, but critically the number of Section 106 units that have been delivered is dependent on how many market sector units are delivered. Clearly, the decline in housebuilding as a result of the economic crash and recession resulted in a significant drop in housing completions compared to pre-2008 levels. Furthermore, the decrease in house prices in the years immediately after the crash as a result has had an impact on the viability of schemes. Average house prices in Caerphilly County Borough have only returned to the 2008 levels in the last year.
- 4.10 Policy SP15 is supported by Supplementary Planning Guidance on Affordable Housing Obligations (LDP1), which was originally adopted in 2011 and updated in July 2017. In line with the requirements of Planning Policy Wales, LDP1 indicates that the percentages sought are a 'target' rather than a mandatory requirement and where it can be demonstrated that it would not be viable to deliver affordable housing at the levels set out within the LDP, then lower levels may be accepted.
- 4.11 There have been a number of planning applications submitted where developers have been able to clearly demonstrate through the submission of a viability assessment that there are viability issues on a site specific basis. This has led to a number of cases where there has been a reduction in the percentage of affordable housing required. All viability assessments are given detailed consideration by appropriate officers or independent experts such as the District Valuer Service (DVS) to ensure that the assumptions used are robust. As part of this, consideration is given to any exceptional abnormal costs linked to ground conditions or other site constraints.

#### **Affordable Housing secured through Section 106 agreements**

- 4.12 Members have requested information on the number of affordable units that have been negotiated as part of Section 106 agreements. The table below provides a breakdown of figures negotiated in each year since the LDP was adopted in 2010. It identifies that there have been 498 units secured as part of signed Section 106 agreements, with £146,240 secured through commuted sums to be used for off-site affordable housing provision. Table 1 excludes Section 106s signed on sites that were expected to be delivered by Registered Social Landlords (RSLs), as the proportion of affordable units would normally exceed the policy requirements set out in the LDP.

**Table 1: Affordable housing secured through Section 106 agreements**

<b>Year</b>	<b>Number of affordable units granted permission as part of a signed Section 106</b>	<b>Commuted sums secured as part of a signed Section 106 agreement</b>
2011/12	22	
2012/13	18	
2013/14	49	
2014/15	16	
2015/16	42	
2016/17	170	
1 <sup>st</sup> April 2017 to 31 <sup>st</sup> January 2018	181	£146,240
<b>Total (including 1<sup>st</sup> April to 31<sup>st</sup> January 2018)</b>	<b>498</b>	<b>£146,240</b>

Source: CCBC Planning records



- 4.13 The number of units identified in Table 1 is based upon the indicative capacity of each site as identified as part of an outline or full planning application. Where subsequent detailed reserved matters applications are submitted, these numbers may be subject to change.
- 4.14 Policy CW11 sets out area-specific affordable housing targets based on an assessment of each area's ability to support the provision of affordable housing through the planning system. It is important to emphasise that these targets are indicative and, whilst it is expected that this level will be provided, consideration is given to any significant abnormal costs that may affect the viability of a scheme. This has resulted in lower levels of affordable housing being negotiated.
- 4.15 The level of affordable housing required by policy differs across the county borough so consideration should be given to the level of affordable housing secured on an area basis. A detailed list of all sites is included for information.

#### HOVRA (0%)

- 4.16 There are no indicative targets in the HOVRA, as a target could not be justified on viability grounds based on high level testing. However, it is recognised that there are some areas within this part of the county borough where the provision of affordable housing would be viable and this would therefore need to be considered on a site by site basis. This approach is set out within LDP1 Affordable Housing Obligations.
- 4.17 Even though there is no policy requirement, affordable units have been built as part of a Section 106 agreement on two sites within the HOVRA. In both cases this related to applications negotiated prior to the 2008 economic recession and prior to the LDP being adopted. Affordable housing has been secured through Section 106 agreements on a small number of other private schemes in the more viable parts of HOVRA, at figures of between 10% and 15% affordable housing.

#### Rest of Caerphilly – Lower Islwyn, Newbridge, Aber Valley (10%)

- 4.18 The 10% affordable housing target has been secured through Section 106 agreements on a number of sites within areas where this target applies including Station Approach in Risca; the car park and land north of the car park, Aiwa, Newbridge; Enco in Newbridge; and GLJ Recycling in Crosskeys. However, none of these sites have been delivered by the private sector to date. A commuted sum equivalent to the value of 10% affordable housing has been secured on Land South of the Glade, Wyllie.
- 4.19 There have been several sites delivered by RSLs for affordable housing led schemes (e.g. the former Manor Inn in Ty Sign; and Bridge Street in Abercarn).

#### Northern Connections Corridor excluding Newbridge (25%)

- 4.20 There have been a significant number of schemes approved with signed Section 106 agreements for the provision of 25% affordable housing within this viability area, as shown in Appendix 1. Since the adoption of the LDP, development has been completed with 25% affordable housing on Pendinas Avenue, Croespenmaen and development has commenced on Hawtin Park (eastern phase secured 15% affordable housing and western phase secured 25%).
- 4.21 There have been a small number of applications where affordable housing has not been secured, or where the target has been reduced for viability reasons where appropriate evidence has been submitted. These have been on sites with significant constraints associated with previous uses and/or ecology.

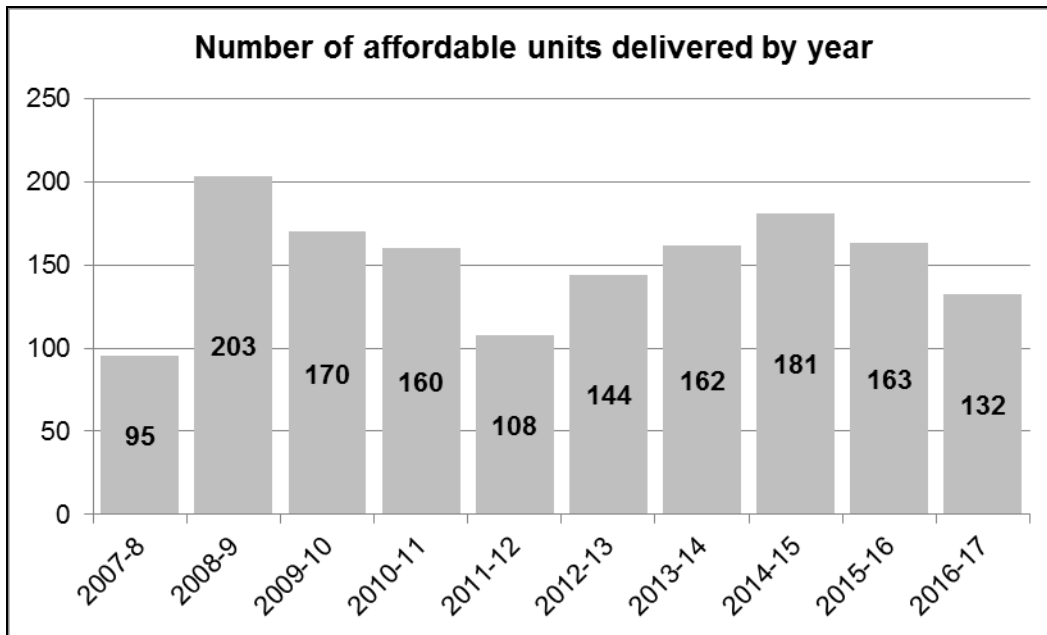
### Caerphilly Basin excluding Aber Valley (40%)

- 4.22 There have been relatively few new applications submitted for market sector housing on sites of 5 or more dwellings in the Caerphilly Basin since the adoption of the LDP. As has been the case in other parts of the county borough, many of the applications that have been approved have been for RSLs schemes for affordable housing led developments (e.g. Caerphilly Miners, Watford Road, CATS House, Cwm Ifor Primary), with all of these schemes delivering over 40% affordable housing.
- 4.23 The 40% target has been delivered on the second phase of the former Gas Works site on Mill Road, and has been secured on several smaller change of use schemes in the town centre.
- 4.24 Several of the schemes that have been developed in Caerphilly Basin since the adoption of the LDP have been on sites where the level of affordable housing had been negotiated under the previous Unitary Development Plan policy framework, where affordable housing targets were not set. As a result, less than 40% affordable housing has been delivered.
- 4.25 There have been three instances where planning permission has been granted for less than 40% affordable housing on applications submitted since the adoption of the LDP: 25% was secured at Pandy Road in Bedwas; 23% was secured at Land North of Hendredenny Drive; and 29% was secured at Abertridwr Road. A further application (Catnic) has been approved subject to the signing of a Section 106 agreement, with 5% affordable housing agreed.
- 4.26 Where less than 40% has been negotiated, this has been informed by detailed viability assessments and/or a consideration of site constraints and what would best address identified housing needs. The LDP policy supporting text and LDP1 Affordable Housing Obligations SPG allow for a reduction in affordable housing where it can be demonstrated that it would not be viable for affordable housing to be provided at policy compliant levels, so a reduction on these grounds is appropriate.

### **Affordable Housing Delivery through all mechanisms**

- 4.27 Affordable housing delivered through the planning system represents only a small proportion of the affordable housing delivered overall, as most affordable housing in the county borough is developed by Registered Social Landlords through their own build programmes funded by the Social Housing Grant (SHG) Programme. The supporting text to Policy SP15 also sets out an overall affordable housing target for affordable housing delivery using all mechanisms of 3,664 units.
- 4.28 There are two recognised sources for recording affordable housing delivery in terms of the number of affordable units provided - the JHLAS and the Welsh Government Annual Affordable housing returns. The JHLAS records the number of new affordable homes built, including both Section 106 units and units delivered as part of RSLs own build programmes. In the plan period up to 2016, a net figure of 918 new affordable units had been delivered (as identified in Appendix 1 of the AMR).
- 4.29 The Welsh Government Affordable Housing Return has a wider definition of affordable housing, as, in addition to new build schemes, it also includes purchasing, leasing and conversions of existing units, which would not be included as part of the JHLAS. This data has only been collected since 2007-8 but for the period up to 2016-17, an additional 1,518 affordable units have been recorded as being provided through new development, purchase, lease or conversion in Caerphilly County Borough. This is less than half of the overall target of 3,664 units to be delivered through all mechanisms as set out in the supporting text of Policy SP15.

**Figure 2: Number of affordable units delivered by year**



**Source: Welsh Government Affordable Housing Provision**

- 4.30 It is important to note that affordable housing delivery is related to the amount of SHG that the local authority receives. However, SHG is a limited resource and in order to meet the affordable housing need set out within the Council's Local Housing Market Assessment, a number of different approaches to affordable housing delivery without grant are being utilised. The planning system will also continue to play an important role in the delivery of affordable housing in the future.

## **5. WELL-BEING OF FUTURE GENERATIONS**

- 5.1 The report is largely informative, containing details of affordable housing, but it also allows an opportunity for reflection in respect of the five ways of working listed in the Act, which are as follows:

- Long Term – Policies to deliver affordable housing will address current and future housing needs.
- Prevention – The consideration of the impact of affordable housing provision on the viability of private sector development will ensure that the Council does not prevent development from coming forward by introducing onerous requirements that reduce overall housing delivery.
- Integration – The objective of delivering affordable housing accords with other objectives of the Council, Welsh Government and Registered Social Landlords.
- Collaboration – The delivery of affordable housing involves the collaboration of the planning and housing departments, together with Registered Social Landlords and applicants
- Involvement – Public consultation is at the heart of the planning process.

## **6. EQUALITIES IMPLICATIONS**

- 6.1 An Equalities Impact Assessment is not required as the report is for information.

## **7. FINANCIAL IMPLICATIONS**

- 7.1 None.

## **8. PERSONNEL IMPLICATIONS**

8.1 None.

## **9. CONSULTATIONS**

9.1 All responses from consultees have been incorporated in the report

## **10. RECOMMENDATIONS**

10.1 Members note the contents of this report.

## **11. REASONS FOR THE RECOMMENDATIONS**

11.1 To allow members the opportunity to review, question and comment upon the level of affordable housing being delivered through the planning system.

## **12. STATUTORY POWER**

12.1 Town and Country Planning Act 1990 (as amended). Planning and Compulsory Purchase Act 2004.

Author: Victoria Morgan, Principal Planner, Strategic & Development Plans  
Consultees: Cllr. James Pritchard, Chair - Policy and Resources Scrutiny Committee  
Cllr. Dianne Price, Vice Chair - Policy and Resources Scrutiny Committee  
Cllr. Lisa Phipps, Cabinet Member for Homes and Places  
Cllr. Eluned Stenner, Cabinet Member for Environment & Public Protection  
Christina HARRY, Interim Chief Executive  
David Street, Director of Social Services and Housing  
Shaun Couzens, Chief Housing Officer  
Tim Stephens, Interim Head of Planning  
Rhian Kyte, Team Leader, Strategic and Development Plans  
Claire Davies, Interim Private Sector Housing Manager  
Kevin Fortey, Housing Development Officer  
Lisa Lane, Corporate Solicitor

Appendices:

Appendix 1 – Applications with signed Section 106 agreements by year (excluding RSL sites)

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Year	Target Achieved	Target Not Achieved
2010-11	<ul style="list-style-type: none"> <li>- 10/0327/OUT Former Holly House Nursing Home, Fleur de Lys (25%)</li> <li>- 07/1477/OUT Gryphonn Concrete Products, Hengoed (25%)</li> </ul>	<ul style="list-style-type: none"> <li>- 07/1354/OUT Cats House and Bedwas Workmen's Club (25% in 40% area) – application submitted prior to LDP policy being adopted so determined against policies in previous development plan where there were no area specific targets – site later developed by RSL</li> </ul>
2011-12		<ul style="list-style-type: none"> <li>- 07/0447/FULL Land at Venosa Trading Estate (19% in 40% area) – application submitted prior to LDP policy being adopted so determined against policies in previous development plan where there were no area specific targets</li> </ul>
2012-13	<ul style="list-style-type: none"> <li>- 10/0215/OUT Former Enco Site, Quarry Court, Newbridge (10%)</li> <li>- 11/0634/FULL Pendinas Avenue, Croespenmaen (25%)</li> <li>- 10/0688/OUT Cefn Bach Farm, Deri (10% in HOVRA – no target)</li> <li>- 07/1011/OUT Land at Maerdy Crossing, Rhymney (15% in HOVRA – no target)</li> </ul>	
2013-14	<ul style="list-style-type: none"> <li>- 11/0370/OUT PC Diagnostics Ltd, Gilfach (10% in HOVRA – no target)</li> <li>- 12/0104/NCC Bedwellty Road, Aberbargoed (extension of time for RSM– 15% in HOVRA – no target)</li> <li>- 11/0904/FULL All Saints Rooms, Llanbradach (40%)</li> <li>- 13/0058/NCC Land off Pencoed Avenue (25%)</li> <li>- 12/0578/OUT West of Old Pant Road, Panside (10%)</li> <li>- 13/0416/FULL Land at Mill Road, Caerphilly, Phase 2 (40%)</li> <li>- 12/0030/NCC Land at George Street, Cwmcarn (renewal – 10%)</li> </ul>	<p>08/1355/FULL Land to the rear of Victoria Road (19% in 25% area) - application submitted prior to LDP policy being adopted so determined against policies in previous development plan where there were no area specific targets</p>

2014-15	<ul style="list-style-type: none"> <li>- 12/0277/FULL Whitbread Enterprise Centre, Rhymney (10% in HOVRA – no target)</li> <li>- 13/0545/COU Panteg Hotel, Abertridwr (10%)</li> <li>- 12/0531/OUT Station Approach, Risca (10%)</li> </ul>	<ul style="list-style-type: none"> <li>- 08/0752/OUT Land at Hawtin Park (east), Pontllanfraith (15% in 25% area). A viability assessment was submitted and reviewed by the DVS. A significant part of the site needed to be retained for ecological reasons, with an associated commuted sum for long term management and other s106 requirements. The site had been purchased at the peak of the market at a time when the policy context was different. The fall in property prices as a result of the recession, together with a village green application on the land (dismissed), impacted on viability and it was considered that the site was unlikely to be delivered unless a lower amount of affordable housing was secured at a time when there was an urgent need to increase the housing land supply.</li> </ul>
2015-16	<ul style="list-style-type: none"> <li>- 15/0528/NCC Land at Maerdy Crossing, Rhymney - extension of time for RSM (15% in HOVRA – no target)</li> <li>- 14/0129/NCC Gryphonn Concrete Products, Hengoed – extension of time for RSM (25%)</li> <li>- 14/0411/OUT Land at Ton Y Felin, Croespenmaen (25%)</li> </ul>	<ul style="list-style-type: none"> <li>- 12/0269/NCC Land at Gellideg Heights, Maesycwmmmer – extension of time for RSM (15% in 25% area). A viability assessment was submitted which identified exceptional development costs associated with the infrastructure required to serve the site, ground conditions, the need for remediation and other onsite Section 106 requirements.</li> </ul>
2016-17	<ul style="list-style-type: none"> <li>- 15/1241/FULL Land off Victoria Road, Rhymney - (10% in HOVRA – no target)</li> <li>- 14/0239/NCC Land at Albertina Road, Treowen (10%)</li> <li>- 14/0674/OUT GLJ Recycling, Crosskeys (10%)</li> <li>- 14/0604/OUT Car Park, Aiwa Technology Park, Newbridge (10%)</li> <li>- 15/0156/NCC Former Enco Site, Quarry Court, Newbridge (10%)</li> <li>- 15/0038/OUT Land at Ty Mawr, Croespenmaen (35%)</li> <li>- 15/0252/OUT Land at Cwm Gelli, Blackwood (25%)</li> <li>- 14/0802/OUT Land at Hawtin Park, Pontllanfraith (25%)</li> </ul>	<ul style="list-style-type: none"> <li>- 15/0038/OUT Land North of Pandy Road, Bedwas (25% in 40% area). A viability assessment was submitted which identified abnormal costs in relation to earthworks due to sloping nature of site, gas main diversion, abnormal foundations, retaining walls and treatment of shallow mine workings.</li> </ul>

<p>2017-18 (Up to 31<sup>st</sup> January 2018)</p>	<ul style="list-style-type: none"> <li>- 16/0668/OUT Land to north of car park, Aiwa Technology Park, Newbridge (10%)</li> <li>- 16/0617/OUT Land South of the Glade, Wyllie (commuted sum – 10% equivalent)</li> <li>- 16/0373/OUT Land South of the A472, Ty Du, Nelson (25%)</li> <li>- 15/0782/FULL Land at Woodfield Park Lane, Oakdale (25%)</li> <li>- 15/0567/OUT Oakdale Golf Club, Oakdale (25%)</li> <li>- 16/0506/OUT Plot 2, Land adjacent to Islwyn Indoor Bowls Centre, Pontllanfraith (commuted sum equivalent to 25% affordable housing)</li> <li>- 16/0507/OUT Plot 1, Land adjacent to Islwyn Indoor Bowls Centre, Pontllanfraith (commuted sum equivalent to 25% affordable housing)</li> <li>- 16/0509/OUT Plot 3, Land adjacent to Islwyn Indoor Bowls Centre, Pontllanfraith (commuted sum equivalent to 25% affordable housing)</li> <li>- 15/0502/COU Caerphilly Indoor Market, 5 Pentrebane Street, Caerphilly</li> </ul>	<ul style="list-style-type: none"> <li>- 15/0412/OUT Land north of Hendredenny Drive, Caerphilly (23% in 40% area) – a viability assessment was submitted which identified abnormal costs including the removal of a gas pipeline, earthworks, abnormal foundations, retaining walls and a pumping station, due to the sloping nature of the site.</li> <li>- 15/0442/OUT Land at Abertridwr Road, Caerphilly (29% in 40% area) – the mix identified in the scheme was for 18-20 dwellings and 8 flats. Given the significant need for one bedroom accommodation in the County Borough, the Council’s housing development officer requested that the two blocks of 1 bedroom walk up flats should be included as the affordable housing contribution. If the number of market dwellings is lower (18 rather than 20), this would increase the affordable housing percentage to 31%.</li> </ul>
<p>Pending signing of s106</p>	<ul style="list-style-type: none"> <li>- 16/0076/OUT Land to the north of Meadowland Close, Caerphilly (40% in committee report)</li> <li>- 16/0085/NCC Land off Pencoed Avenue, Cefn Fforest (commuted sum agreed equivalent to 25% affordable housing)</li> <li>- 16/0510/OUT Plot 5, Land adjacent to Islwyn Indoor Bowls Centre, Pontllanfraith (commuted sum equivalent to 25% affordable housing)</li> <li>- 16/0508/OUT Plot 4, Land adjacent to Islwyn Indoor Bowls Centre, Pontllanfraith (commuted sum equivalent to 25% affordable housing)</li> <li>- 17/0617/COU 1 Pentrebane Street, Caerphilly (40%)</li> <li>- 17/0616/COU Pulsars Niteclub 3A Pentrebane Street, Caerphilly (40%)</li> </ul>	<ul style="list-style-type: none"> <li>- P/06/0037 Waterloo Works, Machen (1.5 acres and land and 16 LCHO units in committee report) – application submitted prior to LDP policy being adopted determined against policies in previous development plan where there were no area specific targets</li> <li>- 16/0208/OUT Catnic, Pontygwindy Industrial Estate, Caerphilly (5% agreed in 40% area in committee report) - a viability assessment was submitted and reviewed by the DVS. Abnormal costs including the demolition of the existing buildings, asbestos removal, abnormal foundations, capping to rear gardens. The viability assessment also took into account the relocation costs of the existing occupier.</li> </ul>

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