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For all enquiries relating to this agenda please contact Charlotte Evans
(Tel: 01443 864210 Email: evansca1@caerphilly.gov.uk)

Date: 8th January 2020

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, 16th January, 2020** 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

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

Pages

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.

A greener place Man gwyrddach



To approve and sign the following minutes: -

- 3 Caerphilly Homes Task Group held on 31st October 2019. 1 - 2

To receive and note the following information items: -

- 4 Caerphilly Homes #BuildingTogether. 3 - 28
- 5 WHQS Final Stage Progress Report/ Post 2020 Asset Management Programme Proposals. 29 - 56
- 6 Housing Revenue Account Budget Monitoring – Period 4 - 2019/20 57 - 68

**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 Charlotte Evans on 01443 864210, by 10a.m. on Wednesday 15th January 2020.*

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

Circulation:

Task Group Members: Ms L. Pewtner, Mrs D. Moore, Ms M. James, Ms R. Thompson, Mrs Y. Bryant, M. Davies, L. Harding (Vice Chair), A. Hussey, Mrs B. A. Jones, Ms S. Jones, L. Phipps, Mrs D. Price, L.G. Whittle and Mr C. Davies (Chair),

And Appropriate Officers

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CAERPHILLY HOMES TASK GROUP (WELSH HOUSING QUALITY STANDARD)

**MINUTES OF THE MEETING HELD IN THE SIRHOWY ROOM, PENALLTA HOUSE, ON
THURSDAY, 31ST OCTOBER 2019 AT 5.00 P.M.**

PRESENT:

Mr C. Davies – Chair

Task Group Members:

Mrs Y Bryant, and L.G. Whittle.

Officers:

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

1. APOLOGIES

Apologies for absence were received from Councillors M. Davies, B. Jones, A. Hussey, L. Hardacre L. Phipps and Tenant Representatives Mrs S. Jones, Ms M. James, Mrs D. Moore, Mrs R. Thompson and Ms L. Pewtner.

2. ANNOUNCEMENT OF THE CHAIR

Mr C. Davies, Chair of the Caerphilly Homes Task Group opened the meeting and advised Officers and attendees that due to the number of apologies received and lack of attendance, the Caerphilly Homes Task Group was not quorate and as such the meeting would stand adjourned.

Furthermore due to the calling of the General Election on 12th December 2019, the next meeting of the Caerphilly Homes Task Group would need to be postponed to a date and time to be agreed.

The meeting closed at 5.10pm.

CHAIR

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CAERPHILLY HOMES TASK GROUP – 16TH JANUARY 2020

SUBJECT: CAERPHILLY HOMES – #BUILDINGTOGETHER

REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE SERVICES

-
- 1.1 The attached report was considered by the Housing and Regeneration Scrutiny Committee on 26th November 2019 and will be reported to Cabinet on 15th January 2020.
 - 1.2 The views expressed by Scrutiny Committee are attached at Appendix A, and the decisions of Cabinet will be reported verbally to Caerphilly Homes Task Group on 16th January 2020.

Author: Catherine Forbes-Thompson, Scrutiny Manager – forbec1@caerphilly.gov.uk

Appendices:

Appendix A Report to Cabinet 15th January 2020

Appendix B Report to Housing and Regeneration Scrutiny Committee – 26th November 2019



CABINET – 15TH JANUARY 2020

SUBJECT: CAERPHILLY HOMES – #BUILDINGTOGETHER

REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE SERVICES

-
- 1.1 The attached report was considered by the Housing and Regeneration Scrutiny Committee on 26th November 2019. The report outlined a vision to build new homes and increase housing supply in the county borough following the completion of the Welsh Housing Quality Standard in 2020. Scrutiny members were invited to comment prior to the presentation of the report to Cabinet.
 - 1.2 The scrutiny committee was advised that the Caerphilly Local Housing Market Assessment has identified a requirement of 282 units per annum over a period of 5 years in order to meet local demand. Members were advised that this is made up of 169 social housing rented units and 113 intermediate units and were informed that there is a particular need for one bedroom accommodation.
 - 1.3 Members noted that although there is currently a surplus of older person's accommodation throughout the county borough, the current provision does not meet the needs in terms of size, facilities and surrounding environment. This would need to be taken into account with any planned programme of development in order to ensure suitable accommodation is available for the anticipated growth in demand from older persons.
 - 1.4 The scrutiny committee were informed of the research already undertaken in terms of the way forward by looking at what has already been done in other areas, discussions with industry experts on good quality and precision engineered homes and an ambition to produce zero carbon homes, in line with Welsh Government expectations. The report outlines plans for 400 new homes in the first instance which is considered a realistic target as these proposals will take time to develop.
 - 1.5 Members highlighted the target for affordable housing targets for the county borough areas in the LDP and questioned whether the targets for the north of the county borough should be higher. The scrutiny committee were advised that demand is higher in the south and this is reflected nationally with population growth surrounding larger urban areas, because of employment and shorter transport links. The scrutiny committee stated that the council has a responsibility to consider the needs of the north of the county borough. Officers stated that each site would be looked at and individual solutions applied.
 - 1.6 The scrutiny committee sought reassurance that brown field sites would be given priority for development. Members stated the benefit of protecting green field sites because they absorb carbon and also highlighted the environmental impact of the use of cement in construction. Officers confirmed that brown field sites would be given priority, as well as consideration of planting schemes to offset any impact on the environment and the use of modern methods of construction. Members asked if these modern methods of construction

have long term resilience, the scrutiny committee were reassured that these methods have been utilised for a considerable time and include timber frame construction.

- 1.7 The need to support communities in the wider sense was discussed, and the benefits that these developments could have in terms of employment and training for residents.
- 1.8 Members asked if the use of consultants and the associated costs could be avoided and the work carried out by the newly proposed Caerphilly Homes *#BuildingTogether* Development Team. The scrutiny committee were advised that at the present time there is no one with the commercial experience working within the council who could carry out this role. However the aim going forward is to develop those skills within the team. In addition it was noted that the costs for the use of consultants would be met by the HRA and not the Council General Fund.
- 1.9 The scrutiny committee asked how we can ensure mixed tenure on the developments. Members were advised that it will depend on the site, and the needs at the time, however the common allocations policy as well as working with RSL's using the policy framework would be the basis for any decisions. Therefore allocation of property will be if they meet the criteria. Members were advised that this has already been done in other areas and that mixed tenure is seen as the way forward.
- 1.10 Members were advised of the work already underway in some areas and members sought reassurance that discussion with ABUHB was not delaying the development of the Ty Darren site in Risca. Members were advised that an informal response has been received and the council is actively seeking a formal statement of intent.
- 1.11 The scrutiny committee noted that this is a 5 year plan and asked what the plan is afterwards. Members were advised that it is anticipated that this is the start of a rolling programme which will be reviewed periodically to ensure that any changing needs are incorporated into plans.
- 1.12 Following consideration and discussion the Housing and Regeneration Scrutiny Committee unanimously agreed to recommend to Cabinet that:
 - (i) Cabinet agree to the development, subject to planning approval, of the HRA site in Nelson in order to access AHG (Affordable Housing Grant) prior to the end of March 2020 via a direct award to a partner Registered Social Landlord.
 - (ii) Cabinet agree to the development of the HRA sites in Bedwas and Trecenydd subject to viability testing and planning approval as set out in the report.
 - (iii) Cabinet agree the principle of Caerphilly Homes acquiring new build affordable homes, via Section 106 Agreements in areas of housing need, subject to financial viability in terms of the Housing Business Plan.
 - (iv) Cabinet that the purchase via Section 106 Agreements of up to 10 affordable units per development be delegated to the Head of Service in conjunction with the Cabinet Member for Homes and Places. Section 106 Agreements involving more than 10 affordable units will be the subject of a report to Cabinet.
 - (v) Cabinet agree to proposals for General Fund land to be considered and appropriated to Caerphilly Homes for the development of affordable housing, subject to suitability and affordability. Further reports will be submitted as and when required on specific site proposals requesting appropriation from the General Fund to Caerphilly Homes for housing purposes.
 - (vi) Cabinet approve that where HRA land is sold for new development, 100% of the capital receipt is kept within the HRA and recycled to finance the Council's new build

- programme. Where there is no commitment to develop the land, there is an option to retain 25% of the receipt within the HRA and 75% utilised to repay debt (as in previous years with regards to Right to Buy sales).
- (vii) Cabinet support the exploration of innovative and commercial opportunities to facilitate the delivery of new affordable homes including the possibility of market sales, which on some sites may be necessary to ensure viability.
 - (viii) Cabinet approve the engagement and commissioning of consultants and a development partner via recognised and compliant public sector procurement instruments i.e. via the SCAPE and Welsh Procurement Alliance framework agreements (further explained in 5.5/6). Each separate procurement arrangement will be undertaken with support and advice from the Council's Procurement Team and will be subject to separate reports being brought forward as appropriate.
 - (ix) Cabinet approve the use of Modern Methods of Construction (MMC) including modular or partially modular homes together with a 'fabric first' approach to deliver the most energy efficient homes possible and respond to the zero carbon agenda.
 - (x) Cabinet approve the commissioning of an independent consultancy via a compliant framework agreement to undertake viability assessments of all suitable HRA land in order to develop a catalogue of commercially viable sites that can be developed over a 5 year period and form the basis of the Council's new build strategy. This information will be used as the basis to develop 'shelf ready' schemes in preparation for the announcement of new Welsh Government funding in 2021.
 - (xi) Cabinet approve the creation of a Caerphilly Homes Development Team to develop and drive forward the new #BuildingTogether programme as noted in 5.32 and 5.33.
 - (xii) Cabinet approve the submission of a report to Council which includes a request to borrow a further £14M to kick start the new build programme and other proposals contained in this report. Further details are contained in section 10.
 - (xiii) Cabinet approve that any unused borrowing from the £61m originally earmarked for WHQS be transferred to support the delivery of the new build programme. Further details are contained in section 10.
 - (xiv) it be noted that further reports will be submitted as and when required and details of specific schemes are known in order to advise members and where necessary seek Cabinet approval.

Author: Catherine Forbes-Thompson, Scrutiny Manager – forbecl@caerphilly.gov.uk

Appendices:
Appendix B Report to Housing and Regeneration Scrutiny Committee 26th November 2019 –
Agenda Item 10



HOUSING AND REGENERATION SCRUTINY COMMITTEE – 26TH NOVEMBER 2019

SUBJECT: CAERPHILLY HOMES – #BUILDINGTOGETHER

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

1. PURPOSE OF REPORT

- 1.1 This report outlines a vision to build homes that are in places where people want to live, work and enjoy themselves; to build and add to cohesive communities and in doing so create sustainable opportunities for training and employment.
- 1.2 The report also sets out how Caerphilly Homes (Housing Services division of Caerphilly County Borough Council) intends to increase its supply of housing.
- 1.3 The views of the Housing and Regeneration Scrutiny Committee are being sought prior to the report's consideration by Cabinet.

2. SUMMARY

- 2.1 The Caerphilly Local Housing Market Assessment has identified a requirement for a total of 282 units per annum over a period of 5 years in order to meet local demand. This includes 169 social rented units and 113 'intermediate' units (56 low cost home ownership and 57 intermediate rent).
- 2.2 In terms of property size, by far the greatest requirement is for one bedroom accommodation however, the pattern of need varies between wards and housing market areas. There is a higher need for accommodation in the south of the borough than there is in the north. The assessment also highlights a surplus of older person's accommodation throughout the county borough. This is based on the location, type and quality of the existing provision, which in some instances no longer meets the needs and aspirations of older people. With national statistics showing that people are living longer and that the number of older people is expected to grow, there is a pressing requirement for alternative accommodation that is more flexible and better suits their needs now and for the future.
- 2.3 Having committed to investing approximately £260 million to improve the condition of our existing council homes to ensure all meet the Welsh Housing Quality Standard by 2020, this report sets out the ambitious long term investment plans of Caerphilly Homes to build and acquire a new generation of homes that meet a growing local need for new social and affordable housing.

- 2.4 The programme, branded *#BuildingTogether* aims to deliver 400 affordable homes between 2020 and 2025. This aim links directly with the Council's commitment contained within the Corporate Plan 2018-2023 and Wellbeing Objective 3 which aims to address the supply, condition and sustainability of homes throughout the county borough.
- 2.5 Recognising the need for additional affordable homes to meet an increasing demand, a commitment to build and increase the number of homes within the Council's portfolio is a corporate commitment.
- 2.6 In 2015 the Welsh Government ended the Housing Revenue Account subsidy system for Council homes thereby introducing new powers for Councils to keep their rental income and generate growth which, in Caerphilly, continues to be reinvested in homes to deliver the Welsh Housing Quality Standard by 2020 and will now also be invested into the Caerphilly Homes *#BuildingTogether* development programme to deliver the Council's commitment of providing additional affordable homes.

3. RECOMMENDATIONS

- 3.1 Members are asked to recommend that Cabinet agree to the development, subject to planning approval, of the HRA site in Nelson in order to access AHG (Affordable Housing Grant) prior to the end of March 2020 via a direct award to a partner Registered Social Landlord.
- 3.2 Members are asked to recommend that Cabinet agree to the development of the HRA sites in Bedwas and Trecenydd subject to viability testing and planning approval as set out in the report.
- 3.3 Members recommend that Cabinet agree the principle of Caerphilly Homes acquiring new build affordable homes, via Section 106 Agreements in areas of housing need, subject to financial viability in terms of the Housing Business Plan.
- 3.4 Members recommend to Cabinet that the purchase via Section 106 Agreements of up to 10 affordable units per development be delegated to the Head of Service in conjunction with the Cabinet Member for Homes and Places. Section 106 Agreements involving more than 10 affordable units will be the subject of a report to Cabinet.
- 3.5 Members recommend that Cabinet agree to proposals for General Fund land to be considered and appropriated to Caerphilly Homes for the development of affordable housing, subject to suitability and affordability. Further reports will be submitted as and when required on specific site proposals requesting appropriation from the General Fund to Caerphilly Homes for housing purposes.
- 3.6 Members recommend that Cabinet approve that where HRA land is sold for new development, 100% of the capital receipt is kept within the HRA and recycled to finance the Council's new build programme. Where there is no commitment to develop the land, there is an option to retain 25% of the receipt within the HRA and 75% utilised to repay debt (as in previous years with regards to Right to Buy sales).

- 3.7 Members recommend that Cabinet support the exploration of innovative and commercial opportunities to facilitate the delivery of new affordable homes including the possibility of market sales, which on some sites may be necessary to ensure viability.
- 3.8 Members recommend that Cabinet approve the engagement and commissioning of consultants and a development partner via recognised and compliant public sector procurement instruments i.e. via the SCAPE and Welsh Procurement Alliance framework agreements (further explained in 5.5/6). Each separate procurement arrangement will be undertaken with support and advice from the Council's Procurement Team and will be subject to separate reports being brought forward as appropriate.
- 3.9 Members recommend that Cabinet approve the use of Modern Methods of Construction (MMC) including modular or partially modular homes together with a 'fabric first' approach to deliver the most energy efficient homes possible and respond to the zero carbon agenda.
- 3.10 Members recommend that Cabinet approve the commissioning of an independent consultancy via a compliant framework agreement to undertake viability assessments of all suitable HRA land in order to develop a catalogue of commercially viable sites that can be developed over a 5 year period and form the basis of the Council's new build strategy. This information will be used as the basis to develop 'shelf ready' schemes in preparation for the announcement of new Welsh Government funding in 2021.
- 3.11 Members recommend that Cabinet approve the creation of a Caerphilly Homes Development Team to develop and drive forward the new *#BuildingTogether* programme as noted in 5.32 and 5.33.
- 3.12 Members recommend that Cabinet approve the submission of a report to Council which includes a request to borrow a further £14M to kick start the new build programme and other proposals contained in this report. Further details are contained in section 10.
- 3.13 Members recommend that Cabinet approve that any unused borrowing from the £61m originally earmarked for WHQS be transferred to support the delivery of the new build programme. Further details are contained in section 10.
- 3.14 Members are asked to note that further reports will be submitted as and when required and details of specific schemes are known in order to advise members and where necessary seek Cabinet approval.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 In recognition of the increasing demand for affordable housing this reports sets out the progress made by Caerphilly Homes to date in relation to increasing the number of Council homes.
- 4.2 The development of a Council home building programme will help to meet the needs of the 4,500 applicants currently on the Common Housing Register waiting list, future applicants and also contribute to reducing the incidence of homelessness and rough sleeping.

- 4.3 It will support the local housing market and provide new opportunities for apprenticeships, training and employment. The development of additional affordable homes will help stimulate and grow the local foundational economy through the creation of local supply chains, the delivery of community benefits and create and add value to existing communities thereby increasing cohesion and resilience.
- 4.4 The building of new affordable Caerphilly Homes to meet an ever increasing need for affordable homes is a corporate commitment.

5. THE REPORT

- 5.1 As a consequence of entering the final stages of the Welsh Housing Quality Standard (WHQS) investment programme, Cabinet approved the Caerphilly Homes Asset Management Strategy (AMS) on the 12th September 2018.
- 5.2 The AMS not only included proposals for ensuring that the WHQS was maintained post 2020 but also included a number of options for increasing Council house supply.
- 5.3 Progress made to increase Council house supply to date includes the following activities:

Property Acquisitions

- 5.4 Bids for the acquisition of 5 empty former Council properties under the Affordable Housing Grant (AHG) programme were submitted to Welsh Government in December 2018. Notification of funding award was received from Welsh Government in March 2019.
- 5.5 Colleagues in Property Services assisted with the valuation and negotiations on the purchase price and the five properties were successfully purchased prior to the 31st March 2019 in order to comply with the AHG deadline.
- 5.6 Further bids for AHG funding have been submitted to contribute towards the cost of improvements necessary to bring these properties up to an acceptable standard. In order to qualify for the AHG funding the properties need to be improved to Development Quality Requirements (DQR) Part 2 (Requirements for existing and rehabilitated dwellings built by housing associations).
- 5.7 A further 5 properties were purchased in September 2019 following submission of AHG applications by a revised deadline for which we are awaiting notification of an award, and again further bids have been submitted to contribute towards the cost of improvements.
- 5.8 The AHG funding covers 58% of the purchase and improvement costs and is paid in the form of a revenue stream over a 29 year period. The remainder of the cost is funded by the Council.
- 5.9 The AHG request for the acquisition of the 10 homes and associated refurbishment is therefore currently £739,330 in total, however the full amount of £1,274,708 will need to be provided up front as a capital cost by the HRA with the AHG element being provided as an annual revenue income stream of £39,633 by Welsh Government over a 29 year period.

- 5.10 In addition to the above, conversion works are underway at Hafod Y Bryn and Tredegar Court to create additional units of accommodation utilising Affordable Housing Grant (AHG) funding which will provide an additional 3 units of accommodation for older persons.
- 5.11 6 additional acquisitions have also been identified for purchase and discussions are ongoing with colleagues from Welsh Government to utilise the Affordable Housing Grant (AHG) to do so.

Bedwellty School Site – Llanmoor Homes

- 5.12 Llanmoor Homes have approached Caerphilly Homes regarding a development on the former Bedwellty School site. This development will provide Caerphilly Homes with the opportunity to acquire 8 housing units for transfer to the Council housing stock (2 of which will be for low cost home ownership). The development is in an area of housing demand and the purchase of these properties at the Supplementary Planning Guidance LDP 1 (SPG) transfer values is currently affordable in terms of the Housing Business Plan. Terms of the transfer would be in line with the Section 106 Agreement.
- 5.13 Further opportunities for such acquisitions will come forward as part of the planning and development process and as a consequence members are asked in 3.3 to recommend that Cabinet approve the principle of Section 106 acquisitions which may include low cost home ownership homes as well as social rented housing, accepting that this needs to be balanced against other Housing commitments and be financially viable in terms of the Housing Business Plan. A further explanation of the Section 106 process is contained within 5.42.

HRA Land Developments

- 5.14 The following sites are currently at the early stages of being progressed and will be subject to planning approval:-
- 5.15 Nelson – an area of HRA land that will lend itself to the development of 4 one bedroom social rented flats with individual entrances. There is a lack of this type of accommodation in the Caerphilly Homes stock portfolio and these new units will help address the high level of need identified in the 2018 Local Housing Market Assessment.
- 5.16 This site directly adjoins another site that is planned to be developed by an RSL and therefore there are clear benefits in pursuing the option of the RSL developing the plans, building the properties and project managing the scheme on behalf of Caerphilly Homes as an intrinsic part of their planned development. Our partner RSL's already have the necessary skills and resources in place and early discussions have been positive. Initial discussions have been held with Procurement Services to look at options to support a direct award to the RSL in order to progress this site with development contracts being signed prior to 31st March 2020 in order to allow the Council to access AHG funding. A detailed report outlining the procurement arrangements will be presented to the Director of Social Services and Housing shortly in line with Council's Standing Orders.
- 5.17 Members are asked to recommend approval by Cabinet retrospectively of the joint development of this site with the RSL designing, planning, constructing and project managing the development of this site on behalf of Caerphilly Homes, subject to satisfying procurement regulations. Retrospective approval is sought in order to

expend Affordable Housing Grant (AHG) funding within the timescale required by Welsh Government.

- 5.18 Llanfabon Drive, Bedwas and The Crescent, Trecenydd.
Initial feasibility studies suggest that 8 one bedroom social rented flats with individual access can be developed on each of these HRA sites, with draft designs anticipated for consideration by December 2019.
- 5.19 Caerphilly Homes has engaged, via the OJEU compliant SCAPE Framework agreement, a development partner who will now assist in undertaking a feasibility study on both sites together with initial designs.
- 5.20 Caerphilly Homes will work closely with the development partner to explore options to deliver innovative, energy efficient housing via a 'fabric first' approach on both sites subject to affordability and the potential to access Welsh Government grant funding. It is anticipated that designs and 'shelf ready' proposals will be prepared in readiness for an announcement by Welsh Government of new funding arrangements from 2021.

General Fund Land Developments

- 5.21 Chartist Gardens – It is anticipated that this site will be wholly developed by Pobl and provide both 66% affordable housing (social rent and shared ownership) and market sales. This development is being reported separately by Property Services.
- 5.22 Ty Darren, Risca - Members will recall the report on 'Remodelling Sheltered Housing Schemes' which included proposals to demolish three schemes in the Eastern Valley and develop a new scheme on the above site which would be fit for purpose and as far as possible 'future proofed'.
- 5.23 A site investigation report has been commissioned for this site and on receipt a full feasibility study will be conducted to confirm the financial viability of the proposals. Architectural Consultants have been engaged via OJEU compliant the Welsh Procurement Alliance framework agreement to provide a cost estimate for the development appraisal, viability assessment and design options. The site is currently owned by the General Fund and has been recently valued by the District Valuer at £825,000. The site would need to be appropriated under s.122 of the Local Government Act 1972 from the General Fund to Caerphilly Homes. Clarification regarding the value attributed to the site and whether that value is based on the site being developed for market sale properties rather than housing for social rent will be sought.
- 5.24 Caerphilly Homes intention, subject to a viability assessment, would be to develop the site in a way that encourages positive ageing thereby delivering the Council's ambition to increase its supply of Council homes which specifically meet tenant needs.
- 5.25 Discussions are ongoing with the Health Board who own the adjacent site, to determine if there is scope for a partnership approach and the provision of a community health focused hub facility.
- 5.26 This scheme is not anticipated to progress for approximately two years, which will allow time to complete the remodelling of our existing schemes and also complete WHQS works, as this will then help to inform the level and type of facility required at Ty Darran. A further report on the proposed development will be brought forward at

the appropriate time.

- 5.27 A summary of all delivery proposals for affordable housing including those to be delivered by Registered Social Landlords is provided in Appendix 2.

Future Plans *#BuildingTogether*

- 5.28 Members are asked to note that a development strategy which sets out the Council's ambitious plans to build new housing for the first time in over 20 years is currently being developed.
- 5.29 The strategy, entitled *#BuildingTogether* will outline a vision to build homes that are in places where people want to live, work and enjoy themselves; to build and add to cohesive communities and in doing so create sustainable opportunities for training and employment.
- 5.30 It will propose that a variety of homes will be built over the lifetime of the strategy (2020-2025), including accommodation for older people that supports positive aging and are future ready; accessible homes that take account of the needs of their inhabitants; homes that are energy efficient and homes that consider modern methods of design and construction.
- 5.31 The strategy intends to set a framework for the delivery of a new generation of 'Future Ready' homes delivered via a variety of delivery options.

***#BuildingTogether* Resources**

- 5.32 Currently the resources to deliver new affordable housing in-house do not exist so alternative arrangements need to be put in place. To assist with the process minor structure changes have been made within Caerphilly Homes in order to create a dedicated Manager to assist with the aim of increasing and developing new homes, compile a development strategy and to review various delivery options that may be available.
- 5.33 A further appointment will need to be made to focus on compiling the HRA land asset review and to oversee and advise on the suitability of proposed development from a Planning, Highways, Engineering, Drainage and ecological perspective. A Project Manager will also be required to liaise with contractors and oversee the delivery of proposed development schemes. Members are asked to support the recommendation noted in section 3.11 to create a new Caerphilly Homes *#BuildingTogether* Development Team.

***#BuildingTogether* Funding & Affordability**

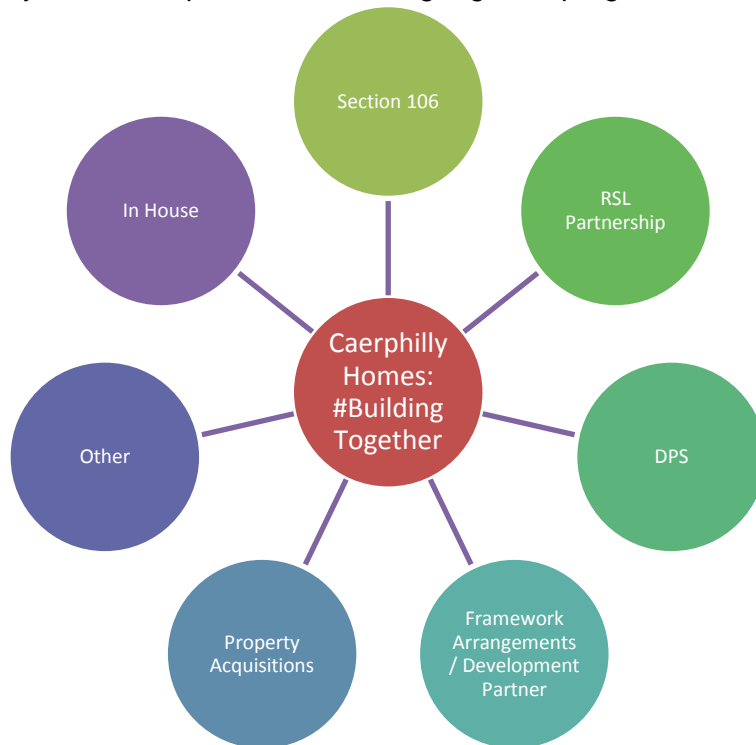
- 5.34 The Welsh Government funding and finance regime is changing. 2020/21 is the final year for grants such as the Social Housing Grant (SHG) and the Affordable Housing Grant (AHG)(2019/20) and indications from colleagues at Welsh Government suggest that the next round of grant funding from Welsh Government to facilitate the development of new affordable homes will not be available until 2021 although there may be a fourth year of the Innovative Housing Programme (IHP) up to 2021.
- 5.35 Earlier this year the Welsh Government commissioned an independent Review of Affordable Housing. The Minister for Housing and Local Government has announced that she accepts all but one of the 22 recommendations contained in the report and that Welsh Government officials will now begin work on examining each

recommendation and determining how best it might be implemented. The Review, its recommendations and how those recommendations are interpreted will have a significant impact on the way in which affordable homes are developed and their affordability.

- 5.36 The Review and its recommendations seek to provide a new opportunity to make ground breaking improvements to the supply and quality of affordable housing and includes a recommendation for Welsh Government to provide longer-term certainty for local authorities wishing to start or continue an ambitious new Council home building programme.
- 5.37 The changes are also likely to result in challenges in relation to affordability, quality and design together with a requirement to deliver zero carbon homes.
- 5.38 With the new funding arrangements yet to be in place until 2021, it will also be difficult to determine the funding available in the short term to support the building of new homes. It is anticipated that an announcement will be made by the Minister before Christmas regarding the proposed 5 year rent policy. This will inform the HRA budget for 2020/21 and provide a clearer indication of the HRA budget likely to be available to support the programme in the future.

#BuildingTogether Outline Delivery Plan

- 5.39 The following diagram outlines the proposed delivery strategy that will be adopted by Caerphilly Homes as part of its #BuildingTogether programme:



- 5.40 In order to meet its delivery ambitions, Caerphilly Homes will utilise a number of different options to deliver new homes for social rent during the period 2020-2025.
- 5.41 The diagram above illustrates the range of options that will help increase the number of homes that are available via Caerphilly Homes and help deliver a diverse range of

options that are best suited to local need and future requirements. By utilising a variety of different mechanisms to deliver additional homes it will also better manage any risk (the proposed Development Strategy will be underpinned by a Risk Register and full Equality Impact Assessment); create economies of scale and help sustain and develop the local supply chain so to create additional employment and training opportunities within the locality.

Section 106

- 5.42 There is a specified target included in the Caerphilly County Borough Local Development Plan (LDP) for the delivery of affordable homes which differs depending on the location of the site. Where there is evidence of housing need the Council will seek to negotiate an affordable housing contribution based on the following targets:
1. 40% in the Caerphilly Basin area (excluding Aber Valley);
 2. 25% in the Northern Connections Corridor (excluding Newbridge);
 3. 10% in the Rest of Caerphilly County Borough (including Aber Valley and Newbridge);
 4. No requirement in the Heads of the Valleys Regeneration Area.
- 5.43 These are targets and will not always be achieved as they are dependent on the financial viability of each site, which is determined on an individual basis. If there is evidence of need and viability there are occasions where these targets are exceeded.
- 5.44 The Council in its role as the Local Planning Authority specifies to the developer the number and type of affordable homes that should be provided as part of the Section 106 contribution with the mix of homes being derived from an assessment of housing need within the locality (Local Housing Market Assessment 2018). The transfer cost of these properties to the social landlord is specified within the Supplementary Planning Guidance LDP1 (SPG). This SPG was first adopted by the Council in 2011, however Appendix 3 of the document is updated on an annual basis under delegated powers to reflect changes in transfer value. See Appendix 1.
- 5.45 The percentage of affordable housing to be provided by a developer is set out within the Section 106 Agreement. Within the agreement the Council can specify a preferred Registered Social Landlord zoned to develop affordable housing in the county borough to whom the developer must transfer the affordable housing.
- 5.46 Recent changes have resulted in Caerphilly Homes being included as a preferred landlord. This will enable Caerphilly Homes to purchase a number of Section 106 properties over the 5 year period of the strategy to contribute towards the overall target of 400 new homes.
- 5.47 The delivery of low cost home ownership homes (LCHO) may be included in the Section 106 agreements negotiated as well as homes for social rent.

RSL Collaboration

- 5.48 Caerphilly Homes is proud of its partnership history with our zoned local Registered Social Landlords. In relation to housing developments, United Welsh Housing Association, Pobl and Linc Cymru have collectively worked with us to increase the number of new affordable homes provided throughout the borough. Wales and the

West are also a zoned Registered Social Landlord in the county borough but are not currently actively developing.

- 5.49 In the recently published 'Independent Review of Affordable Housing Supply' a recommendation is made for Council's across Wales to enter into new partnership arrangements with Registered Social Landlords and the private sector. The Minister for Housing and Local Government is expected to announce the form of partnering arrangements that Welsh Government are wishing to see between Councils and Registered Social Landlords in their area shortly.
- 5.50 Caerphilly Homes will be seeking a closer partnering arrangement with the zoned RSL's in order to utilise the skills and knowledge of the RSL's to help build new Caerphilly Homes on our behalf. This may take the form of a Memorandum of Understanding (MOU) and/or a Partnership Protocol under the umbrella of an Affordable Homes Partnership which would be progressed in collaboration with Procurement and Legal Services.

Dynamic Purchasing System (DPS)

- 5.51 A Dynamic Purchasing System (DPS) is an electronic system used to purchase goods, works or services. Unlike a traditional framework it allows potential suppliers to join at any time. It is an open market solution designed to provide buyers (in this case, Caerphilly Homes) with access to a pool of pre-qualified suppliers (developers). Caerphilly Homes has already utilised a DPS on its WHQS programme with some success. It is particularly attractive to local small and medium sized businesses and relates in the main to smaller parcels or packages of land but a specific DPS to support our development proposals would need to be established.
- 5.52 In the context of the Caerphilly Homes development programme, available land could be packaged and released to potential suppliers on a design and build basis via a DPS. This would provide opportunities for developers to advise the Council on the number and type of units that could be accommodated in specific areas and potentially stimulate innovation and creativity.

Framework Arrangements

- 5.53 In order to develop new homes at pace and scale, Caerphilly Homes is exploring the option of working with a development partner. A development partner could bring a number of added benefits including the ability to work with Caerphilly Homes to undertake feasibility studies and architectural drawings in order to arrive at a standard design arrangement which could be configured differently according to the constraints and opportunities of each site. This would bring greater economies of scale, enhanced quality and also greater efficiency through the creation of a standard pattern book.
- 5.54 The selection of a development partner could be determined by the use of the SCAPE National Construction Framework Agreement, owned by SCAPE Procure Ltd, a public sector built environment specialist entirely owned and controlled by 60 UK local authorities who offer a suite of OJEU compliant frameworks and design solutions to other local authorities.
- 5.55 The Welsh Procurement Alliance (WPA) have developed a framework agreement which could be utilised to identify a potential development partner however, in contrast to the SCAPE arrangement it would mean that Caerphilly Homes would

have to appoint cost consultants and architects separately before working with an approved supplier.

Property Acquisitions

- 5.56 In an attempt to increase the number of affordable homes for social rent Caerphilly Homes may be willing to offer up to market value to acquire empty properties or properties that have been advertised for sale on the open market. The property must be sold with vacant possession and each party will be required to pay their own legal and valuation fees. A value for money assessment will be carried out and Caerphilly Homes will seek the best value price that does not exceed the home valuation report.
- 5.57 In order to respond to identified housing needs, Caerphilly Homes will show preference to purchasing 1 or 2 bedroom properties unless there is a business reason for purchasing a larger home i.e. that there are families with specific needs on the waiting list that require a larger home. All applications will be determined on the basis of business need.
- 5.58 Progress has already been made in relation to purchasing 10 additional homes with a further 6 purchases potentially in the pipeline. The purchases and refurbishment costs will be submitted to Welsh Government as an application for grant funding with a number already approved. The Affordable Housing Grant (AHG) will contribute towards 58% of the costs, but is payable as a revenue income stream with the full costs initially having to be financed by the HRA. This is explained further in section 10.

Other

- 5.59 Modern Methods of Construction (MMC) or homes that are created off-site are often highlighted as the answer to the UK's housing crisis. Homes that are built in factories, off-site and then assembled on site are quick to assemble, cost efficient and leave a much smaller carbon footprint than traditional housing. Homes using MMC are built off site are precision manufactured, energy efficient homes that are built with high levels of quality control.
- 5.60 The construction methods are often more sustainable than traditional methods and the materials utilised more energy efficient. The homes can also be assembled on site quickly (some within as few as 5 days) and can provide opportunities for the creation of a local factory to assemble the units and employment, skills and training for local people.
- 5.61 MMC homes could offer Caerphilly Homes the ability to build new Council homes on constrained or unconventional sites because the units can be lowered by crane. In addition, modular homes can easily be adapted to changing needs or circumstances with some that can be easily moved from one location to another.

In House

- 5.62 If Caerphilly Homes chooses to utilise the WPA framework to develop homes on some of its smaller, garage or infill sites, there is a possibility that the in house team could be utilised to fit out the house structures that are erected on site. The team already have the skills, having proven their abilities via the WHQS programme. Their attention to quality and to customer service has been applauded during the programme and could be applied within a new build context. This would provide a

planned and measured work programme for the in house team during the 5 year strategy period.

- 5.63 It would also provide additional options to upskill the in house team and to create new apprenticeship pathways in partnership with Coleg Y Cymoedd and Coleg Gwent and add value to the PSB Apprenticeship programme. An application for funding via the Welsh Government's Foundational Economy Challenge Fund has been successful with £100,000 allocated to develop a skills and apprenticeship programme specifically related to Modern methods of Construction (MMC).
- 5.64 The in house new build arrangement would run alongside any DPS or Development Partner arrangement that may also be in place thereby creating a number of work streams to underpin the *#BuildingTogether* programme, spreading risk and creating new and innovative opportunities for the Council's own workforce.

Planning

- 5.65 Planning will provide advanced notification of potential development sites and those where the use of Section 106 Agreements would apply, so these can be considered and, where feasible, factored in to future development plans and the HRA Business Plan.
- 5.66 In addition Housing Strategy Officers will continue to advise Planning on housing need for the area, to ensure that any developments undertaken privately or by RSL's, still contribute to meeting housing need and the requirements of the Local Housing Market Assessment and our Common Housing Register.
- 5.67 In a recent letter to local authorities (dated 8th July 2019), the Minister for Housing and Local Government noted that 'up to date Local Development Plans are the cornerstone for housing delivery by identifying the best sites for new homes'. She noted the most recent version of Planning Policy Wales requires local planning authorities to follow place making principles and adopt a people centred approach to planning, designing and managing communities to promote people's 'health, happiness and well-being, all of which must be central considerations when preparing LDPs and determining planning applications. Members will be aware that on the 23rd October 2019, Council resolved to commence work on a Replacement LDP for the county borough and this will be critical to the delivery of new homes and new affordable homes.

Conclusion

- 5.68 Following the completion of the WHQS programme and the removal of the borrowing cap by Welsh Government the HRA will be in an improved financial position which provides opportunities to invest in increasing the housing stock, in addition to maintaining the existing stock.
- 5.69 This report sets out how the supply of affordable housing, including social housing within our county borough can be increased in order to meet increasing demand, as well as the specific requirements of many of those applicants who are listed on our Common Housing Register.
- 5.70 Options within the report include acquisition of existing properties, acquisition of new build homes via Section 106 Agreements, Unilateral Undertakings and the development of new homes through partnership working, frameworks or other contract arrangements. A development table has been included as Appendix 2.

- 5.71 Caerphilly Homes will need to consider rent levels and charges for all new homes as these may differ from the rents attributed to our existing stock, however the new rent policy is yet to be finalised by Welsh Government. Ensuring rents remain affordable will be a key consideration.

6. ASSUMPTIONS

- 6.1 The Housing Business Plan whilst accounting for the delivery of the proposals contained within this report, also considers a number of assumptions which could impact on the extent to which the proposals can be met. Some of these assumptions include inflationary increases in relation to salaries, materials, office accommodation, transport etc. and also rent increase levels, ongoing maintenance of the existing stock, Major Repairs Allowance (MRA) allocation, interest rates and other potential funding restrictions.
- 6.2 Commercial terms and specifications for the new housing via Section 106 Agreements are assumed to result in properties being purchased at SPG rates and development proposals assume no issues are found with the site investigations or planning approval.

7. LINKS TO RELEVANT COUNCIL POLICIES

- 7.1 ***The Corporate Plan (CCBC, 2018-2023) - Well-being Plan Objective 2: Enabling Employment – Use investment in developing new homes to increase the number of skilled, qualified workers and tackle worklessness by providing apprenticeship, training and work placements with our in-house workforce and building contractors.***
- 7.2 ***The Corporate Plan (CCBC, 2018-2023): Well-being Objective 3: “Address the availability, condition and sustainability of homes throughout the county borough and provide advice, assistance or support to help improve people’s well-being.”***
- 7.3 ***Caerphilly County Borough Local Development Plan up to 2021: Key Objective 9 – “Ensure an adequate and appropriate range of housing sites are available across the County Borough in the most suitable locations to meet the housing requirements of all sections of the population.”***
- 7.4 ***Caerphilly Homes Service Plan (2018-2023), Priority Objective 2: “Increase the provision of new, affordable homes to meet identified needs, promoting ‘Lifetime Homes’ principles for grant funded delivery, and, where appropriate, supporting Welsh Government’s Innovative Housing Programme (IHP)”.***

Welsh Government Policies

- 7.5 ***Improving Lives and Communities: Homes in Wales (Welsh Government, 2010)***, which sets out the national context for improving homes and communities, including the energy efficiency of existing homes.

8. WELL-BEING OF FUTURE GENERATIONS

- 8.1 The underlying principles of the affordable housing new build programme concerns the provision of good quality, affordable homes, that are energy efficient and reduce fuel costs for the occupant, are constructed using materials which contribute to the

carbon reduction agenda, help to promote the sustainability of the communities in which they are built, contribution to positive health and wellbeing goals, and assist the Council in meeting its targeted recruitment and training objectives. The programme links to all of the 7 well-being goals in The Well-being of Future Generations (Wales) Act 2015, although some slightly more tenuously than others.

8.2 Our preferred approach to how the programme will be taken forward is consistent with the five ways of working as defined within the sustainable development principle in the Act:

8.2.1 **Long-term** - Housing is a long-term asset. We know that the homes we build today will be in use for many generations. These homes will, therefore, not only cater for the housing needs currently identified by the 2018 Local Housing Market Assessment but also for the emerging housing needs of future generations. We know over this time period that communities won't stand still and this is why we intend to build these homes based on the principles outlined in paragraph 8.1.

8.2.2 **Prevention** - The additional homes delivered through the new build programme will help to reduce the high level of housing needs in the borough. Failure to meet these needs could result in people living in overcrowded or unsanitary housing conditions and result in people becoming homeless or rough sleeping. The new build programme will positively impact on the objectives of other public sector organisations. There is a vast amount of literature which shows that poor housing is a key determinant of poor health. Providing good quality, affordable homes clearly links to the wider health improvement agenda. The way the homes are constructed links to the energy efficiency and carbon reduction agendas, and creating recruitment and training opportunities links to the worklessness agenda.

8.2.3 **Collaboration** - Section 5 of this report outlines the range of service areas and organisations that the Housing team will collaborate with to achieve the successful outcome of this programme.

8.2.4 **Involvement** - There may be an opportunity for tenants and prospective tenants to have an input to the development programme particularly during the design and specification stage. Post occupation surveys would be carried out to influence the nature of future developments. Local communities will also have the opportunity to comment on any proposed developments as part of the planning process.

8.2.5 **Integration** - The strategy looks to integrate property and environmental improvements that will benefit and transform lives and communities throughout the county borough. It further brings together a variety of stakeholders to deliver long term sustainable benefits for lives and communities including Social Services & Health.

8.2.6 Housing Services and our outlined priorities, contributes to a minimum of 6 out of the 7 well-being goals within the *Well-being of Future Generations Act (Wales) 2015*, including:-

- A prosperous Wales
- A resilient Wales
- A healthier Wales
- A more equal Wales
- A Wales of cohesive communities
- A globally responsible Wales

9. EQUALITIES IMPLICATIONS

- 9.1 A screening form has been completed which has suggested that a full EqIA will need to be undertaken for each of the individual programmes and developments. A full EqIA will also be developed to underpin the Caerphilly Homes Development Strategy.
- 9.2 Equalities monitoring data is collected on the Common Housing Register application form and is regularly reviewed and analysed. Our assessment of housing need considers need by protected characteristic including age, disability, the gypsy and traveller community and carers under the Equality Act 2010.

10. FINANCIAL IMPLICATIONS

- 10.1 Achieving the WHQS programme has been the Caerphilly Homes priority over the need to directly increase housing supply. However, as we near the final stages of completing the programme, we can now investigate options to increase our stock and its financial impact.
- 10.2 The recent approval of AHG to part fund the buy back of 5 properties has been included in the business plan and does not require further borrowing to implement. The funding (£562k) will be taken from the HRA capital receipts reserve where we have retained 25% of our Right to Buy (RTB) sales. The AHG funding of £17k per annum over the next 29 years will in theory replenish 58% of the £562k capital used. Since the abolition of RTB's in January, there is no further opportunity to gain additional income in this way. The reserve is £4.7m, so would only be suitable to fund smaller projects.
- 10.3 To fund the larger type projects mentioned in this report would require borrowing in addition to the borrowing needed to complete the WHQS programme. The WHQS programme is currently projecting a borrowing requirement of £45m. This is mainly as a result of the change of the internal deadline from March 2020 to June 2020, where the programme has been extended into another financial year. Council originally approved £61m in October 2011 and although the projections are currently showing some headroom, it would be prudent to extend this approved limit to ensure there is adequate borrowing opportunity to commence our commitment to increase housing supply therefore approval would need to be sought to increase the level of borrowing to allow proposals within the report to proceed.
- 10.4 Scenarios have been tested against the latest plan and show that increased borrowing remains affordable. Since the removal of the HRA borrowing cap restriction, the affordability indicator is the test to ensure prudential borrowing. This is however based on all assumptions in the business plan remaining stable such as rent increases, interest rates and cost rises.
- 10.5 On the assumption that the WHQS borrowing remains at £45m by the end of the programme and therefore remains within its approved level of £61m, it will be necessary to seek approval for any remainder to be utilised to fund an affordable housing development programme along with approval for further borrowing up to £75m in total to fund the projects identified at this stage.
- 10.6 Increased borrowing to £75m would include funding towards achieving the WHQS programme up to £61m and a further £14m (plus any unused borrowing from WHQS) to be allocated for the draft development programme.

- 10.7 Further financial testing can be confirmed once projects have been approved and clearer costs identified, but the £14m plus any unused allocation should be adequate for the current draft proposal assuming the level of assumptions within the current business plan remain consistent, and the costs within the draft development programme do not deviate significantly. If there is any available resource within the HRA then this could also be allocated towards affordable housing before the final borrowing commitment is undertaken (as is currently the practise with the WHQS programme).
- 10.8 Further development programmes would require additional borrowing and would be subject to a further report as and when identified.
- 10.9 The borrowing rates from the Public Works Loan Board (PWLB) (The Councils lender) had fallen significantly over the past few years but recently the PWLB have increased their rates by 1% for all new loans. This appears to be as a deterrent for LA's to borrow for commercial enterprises which the Treasury sees as a high risk. However, this rate is still competitive although is likely to increase the costs previously estimated and there is uncertainty about future increases.

11. PERSONNEL IMPLICATIONS

- 11.1 A minor restructure has already been initiated within Caerphilly Homes to create a dedicated resource to focus on opportunities for increasing Council house supply and the establishment of a development strategy. It is clear however that if the proposals within this report are to be progressed, additional resources will be required to support the delivery of new affordable homes by Caerphilly Homes.
- 11.2 Additional resource requirements are outlined in 5.32 and 5.33.

12. CONSULTATIONS

- 12.1 Consultation responses have been reflected in this report.

13. STATUTORY POWER

- 13.1 Local Government Act 1972 and the Housing Wales Act 2014

Authors: Shaun Couzens - Chief Housing Officer
(Tel: 01495 235314/01443 8664208, Email: couzes@caerphilly.gov.uk)
Jane Roberts-Waite – Strategic Co-ordination Manager
(Tel: 01443 864340, Email: roberj2@caerphilly.gov.uk)

Consultees:	Christina HARRY	Interim Chief Executive
	Dave Street	Corporate Director Social Services & Housing
	Cllr Lisa Phipps	Cabinet Member for Homes and Places
	Cllr John Ridgewell	Chair of Housing & Regeneration Scrutiny
	Cllr Christine Forehead	Vice Chair, Housing & Regeneration Scrutiny
	Shaun Couzens	Chief Housing Officer
	Fiona Wilkins	Housing Services Manager
	Lesley Allen	Principal Group Accountant - Housing
	Mark Williams	Interim Head of Property Services

Rob Tranter	Head of Legal Services and Monitoring Officer
Steve Harris,	Interim Head of Business Improvement Services & Acting Section 151 Officer
Marcus Lloyd	Head of Infrastructure
Liz Lucas	Head of Customer and Digital Services
Claire Davies	Private Sector Housing Manager
Mark Jennings	Housing Strategy Officer
Rhian Kyte	Head of Regeneration & Planning
Tim Stephens	Development Control Manager

Appendices:

Appendix 1	Supplementary Planning Guidance
Appendix 2	Draft Affordable Housing Programme

Appendix 1

Fixed Values for the transfer of units from a developer to the LA or an RSL

Discounted Fixed Values for Social Rented Units (Updated September 2018)

Unit Type	Type	Values
1 Bed *1 Person	Flat	£43,028
1 Bed *2 Person	Flat	£39,105
2 Bed 3 Person	Flat	£53,593
2 Bed *3 Person	House	£65,373
2 Bed *4 Person	House	£65,356
3 Bed *4 Person	House	£69,249
3 Bed *5 Person	House	£69,250
4 Bed *6 Person	House	£81,561
4 Bed *7 Person	House	£81,562
2 Bed *3 Person	Bungalow	£70,570

The table above identifies the values at which affordable housing should be transferred from a developer to either the LA or an RSL. These figures have been generated by capitalising the rental income i.e. the amount of borrowing that the net rent to the RSL or LA will support.

As these values are derived from the Table and Guidelines rents, which apply throughout the County Borough, there is no differentiation in values across the housing market viability areas and therefore these values should be used for all geographical locations.

Maximum Values for Intermediate Housing

The maximum prices that intermediate housing (for either intermediate rent or LCHO) have been derived from the latest Hometrack information (September 2018) on intermediate rents. This reflects Welsh Government's Rent First model which indicates intermediate rent levels were 80% of market rent. The income is calculated by annualising the weekly cost and multiplying it by 4 (using a quarter of gross income as the indicator of what is affordable). The affordable cost of the property is then derived by assuming a mortgage based upon a 3.5 times multiplier. This reflects the guidance in the LHMA Guide (2006).

These values are provided on an area-specific basis, equating to the viability areas defined.

Sub-market and property size	Weekly cost of intermediate housing	Implied price of intermediate housing
Caerphilly Basin		
1 bed	£82	£59,696
2 bed	£103	£75,105
3 bed	£117	£85,176
4 bed	£146	£105,997
Northern Connections Corridor		
1 bed	£80	£57,876
2 bed	£93	£67,903
3 bed	£102	£74,317
4 bed	£149	£108,229

Lower Islwyn and Aber Valley		
1 bed	£69	£49,941
2 bed	£89	£64,792
3 bed	£101	£73,649
4 bed	£149	£106,288
Heads of the Valleys Regeneration Area		
1 bed	£75	£54,782
2 bed	£77	£55,874
3 bed	£89	£64,468
4 bed	£115	£83,808

Appendix 2

Draft Affordable Housing Programme

Action/Site	Developer	Estimated Cost	Arrangement	Units (no. of new affordable homes)
Short Term (2019/20-2020/21)				
Purchase of Buy Back Properties and refurbishment costs – Tranche 1.	CCBC	£562,512 Overall cost (AHG @ 58% = £326,257)	Buy Back	5
Tranche 2 property acquisitions	CCBC	£712,196 overall cost (AHG @ 58% = £413,073)	Buy Back	5
Tranche 3 property acquisitions	CCBC	£500,000 overall cost (AHG @ 58% = £290,000)	Buy Back	4
Development of Bedwellty School Site (Llanmoor Homes)	CCBC	£500,000 for 8 properties in total	Section 106	8 (6 for social rent & 2 LCHO)
Development of Trecenydd and Bedwas	CCBC	Overall costs for both £2m. IHP funding to be sought if available	New Development (ND)	16
Hafod y Bryn, Risca	CCBC	£52,000	Conversion	1
Tredeggar Court, Crosskeys	CCBC	£86,000	Conversion	2
Bereavement services properties	CCBC	£200,000		2
Cwrt Pen Capel, Caerphilly	Linc	£4.25m		38
Former Police Station, Caerphilly	Linc	£3m		34
Land at Newport Road, Pontymister	Linc	£1.4m		18
Hawtin Meadows, Pontllanfraith	Pobl	£2.93m		47
Chartist Gardens Village, Pontllanfraith	Pobl	£4.4m		83
Former Red Lion Public House, Blackwood	Pobl	£1.1m		17
Ton y Felin, Croespenmaen	Pobl	£1.9m		35
Coronation Road, Blackwood	Pobl	£660,000		7
Ty Mawr, Croespenmaen	Pobl	£3.6m	N/A	31
St Mary's Church, Pontllanfraith	Pobl	£713,000	N/A	7
Sir Ivors Road, Pontllanfraith	Pobl	£1.6m		20
Former Concrete Works, Deri	UWHA	£520,000		9
Former Cwm Ifor Primary School, Caerphilly	UWHA	£2.5m		19
Former De Winton Public House, Llanbradach	UWHA	£1.42m		14
Former Llanbradach Church Site, Llanbradach	UWHA	£800,000		10
Wingfield Crescent, Llanbradach	UWHA	£2.63m		30
Former Colliery Site, Penallta Road	UWHA	£4m		48
Former Ambulance Station, Nelson	UWHA	£450,000		5
Development of Nelson site	CCBC/ UWHA	£500,000 overall cost (AHG @ 58% applied for = £290,000, hence cost to Council £210,000.	Partnership	4

Medium Term (2021/22-2023/24)				
Development of Ty Darren (positive ageing accommodation including energy efficiency measures and new technology)	Caerphilly Homes	£5.5m overall (estimated)	WPA	40 (potential)
Coronation Road, Blackwood	Pobl	£655,000	N/A	7

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CAERPHILLY HOMES TASK GROUP – 16TH JANUARY 2020

**SUBJECT: WHQS FINAL STAGE PROGRESS REPORT / POST 2020
ASSET MANAGEMENT PROGRAMME PROPOSALS**

**REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE
SERVICES**

-
- 1.1 The attached report was considered by the Housing and Regeneration Scrutiny Committee on 26th November 2019. The report provided Members with an overview of the performance of the Welsh Housing Quality Standard (WHQS) Team to date and set out the anticipated projected performance up to December 2020. The report also included details of the current financial outturn to date for the 2019/20 WHQS works, and an overview of the many achievements that have been made as part of the wider commitments and benefits delivered by the WHQS programme. In addition, the report gave an overview of the Post 2020 Asset Management proposals which will commence following the successful completion of the WHQS programme.
 - 1.2 The Committee were advised that current and projected performance has demonstrated that full WHQS compliance is achievable prior to the December 2020 deadline. Due to recent concerns regarding the performance and quality of work by some contractors within the final stages of the programme, the remaining contracts have been allocated to the In-House workforce, which has resulted in a revised target completion date from March 2020 to June 2020 to allow for these additional 150 properties to be absorbed, but which is still ahead of the December 2020 deadline.
 - 1.3 Members noted the details of the energy efficiency schemes and environmental projects delivered as part of the programme, together with the community benefits being achieved via the provision of training opportunities, placements and permanent jobs created through the in-house service and its partners. The Scrutiny Committee were advised that customer satisfaction levels in respect of WHQS works are generally high, although it is accepted that levels of customer satisfaction for external works continues to be less than those received for internal works. As a result the WHQS Team has reviewed current practice and has now introduced telephone surveys in the first instance. The report also provided an analysis of the reasons for dissatisfaction for both internal and external works.
 - 1.4 The Scrutiny Committee noted the current and projected financial position of the programme as set out within the report, and it was explained that borrowing will be required for the second time since the programme commencement. In addition, it has also been confirmed that the housing business plan remains financially viable throughout the programme and to deliver the post-2020 strategy.
 - 1.5 Discussion took place on the contents of the report and Officers responded to a query regarding houses of non-traditional construction. A Member asked if there had been a knock-on effect on workloads as a result of the remaining contracts being taken on in-house. Officers explained that originally the WHQS programme of works had been anticipated to finish by 31st March 2020, but that this completion date has now been

revised to June 2020 to allow the in-house team to programme the additional properties into their existing workloads.

- 1.6 The Scrutiny Committee were pleased to note the progress made in respect of the WHQS programme to date and asked that their thanks to the Caerphilly Homes Team be placed on record.

Author: Catherine Forbes-Thompson, Scrutiny Manager – forbecl@caerphilly.gov.uk

Appendices:

Appendix A Report to Housing and Regeneration Scrutiny Committee 26th November 2019 – Agenda Item 8



HOUSING AND REGENERATION SCRUTINY COMMITTEE – 26TH NOVEMBER 2019

**SUBJECT: WHQS FINAL STAGE PROGRESS REPORT / POST 2020
ASSET MANAGEMENT PROGRAMME PROPOSALS**

REPORT BY: CORPORATE DIRECTOR OF SOCIAL SERVICES & HOUSING

1. PURPOSE OF REPORT

- 1.1 This report provides members with an overview of the performance of the Welsh Housing Quality Standard (WHQS) Team to date and also sets out the anticipated projected performance up to December, 2020.
- 1.2 Details of the current financial outturn to date for the 2019/20 WHQS works are also included, together with an overview of the many achievements that have been made as part of the wider commitments and benefits delivered by the WHQS programme.
- 1.3 The report also provides members with an overview of the Post 2020 Asset Management proposals which will commence following the successful completion of the WHQS programme

2. SUMMARY

- 2.1 The details contained within this report provide information on current and projected performance of the internal and external works main WHQS programme and demonstrate that the achievement of full compliance is achievable prior to the deadline of December 2020.
- 2.2 Due to recent concerns regarding the performance and quality of work by some of the DPS (Dynamic Purchasing System) contractors within the final stages of the programme, it has been agreed to allocate the remaining contracts to the In-House workforce. This has resulted in a revised target completion date from March 2020 to June 2020 to allow the In-House workforce time to absorb the additional properties (approx. 150). This is still ahead of our deadline of December 2020.
- 2.3 Good progress has been made and programmed contracts have been 100% surveyed, with the exception of some isolated properties explained further in this report. This provides us with more detail on the scope of anticipated works, which assists with contract forecasting and budget monitoring.

- 2.4 At the start of this financial year it has been necessary to transfer 43 sheltered properties (2 schemes) out of the WHQS Programme into the Post 2020 Asset Management Programme for Health & Safety reasons explained further in this report.
- 2.5 The energy efficiency schemes have been delivered throughout the borough since the commencement of the programme, with the latest scheme at Lansbury Park seeing the completion of all council owned properties and approximately 50% of the privately owned properties. A further bid for additional funding has been submitted to Welsh Government (WG) for the remainder of the private properties and a response is still awaited. Funding for other areas will also continue to be pursued.
- 2.6 Feedback from our customers has been incorporated within the report which generally demonstrates high levels of satisfaction. It is accepted that levels of customer satisfaction for external works continues to be less than those received for internal works. As a result we have reviewed our current practise and have now introduced telephone surveys in the first instance; the report also provides an analysis of the reasons for dissatisfaction for both the internal and external works completed on the programme.
- 2.7 Consultation to identify environmental projects continues throughout the borough with many projects having now been delivered. A number of large-scale projects have also been identified and officers are working with in-house service colleagues to ensure these are delivered within our programme deadlines.
- 2.8 The current and projected financial position is set out within the report and borrowing will be required for the second time since the programme commencement. It is also confirmed that the housing business plan remains financially viable throughout the programme and to deliver the post 2020 strategy.
- 2.9 The WHQS programme has also resulted in community benefits being achieved with the provision of training opportunities, such as work placements, permanent jobs and apprenticeships created with the in-house service, external contractors and our supply partner. The Value Wales Toolkit also demonstrates the positive effect the Councils WHQS investment has on the wider community.
- 2.10 The recently agreed Post Asset Management Strategy (PAMS) has been considered and this report sets out the proposals following the achievement of WHQS by 2020, to ensure the standard is maintained thereafter and the Councils housing portfolio continues to provide affordable, quality homes that meet our customers needs.

3. RECOMMENDATIONS

- 3.1 That the report is noted.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 The report is for information only

5. THE REPORT

- 5.1 **Progress of internal Surveying**

5.1.1 Internal surveys were expected to be completed in full by December 2018. However, this was delayed due to the loss of an Occupational Therapist (OT) position, and the difficulty in obtaining access to some properties. There are also a small number of isolated properties where tenants have changed their mind, and we have also recently bought back a number of properties using the Affordable Housing Grant (AHG) in reaction to the Welsh Governments agenda to increase affordable housing supply, which was not built into the original survey plan. However the programmed contracts have now been fully surveyed. The survey data has assisted with forecasting future scope of works and budget monitoring for the final year.

5.2 Progress of the Internal Works Programme 2019/20 – Completion of Works

5.2.1 The rate of properties where internal WHQS compliance has been achieved this year to date is shown in Chart 1 below. The number of properties achieving internal compliance as at week 26 is 684 (43% of this years programme) The target set at the start of the year was 31 properties per week to achieve compliance by March 2020. Due to recent concerns regarding the performance and quality of the work carried out by some of the external contractors procured through the DPS (Dynamic Purchasing System), it has been agreed to allocate the remaining contracts to the In-House workforce.

5.2.2 In order for the In-House workforce to accept these additional properties (approx. 150) it has been necessary to revise the target completion date from March 2020 to June 2020. This has resulted in a revised weekly target of 25 properties per week (as illustrated on Chart 1 at week 18). The actual weekly rate as at week 26 (27/9/19) is just over 26 properties per week which, if extended for the remaining properties means we should complete the internal WHQS programme by the end of May 2020.

5.2.3 Support is also being received from the Housing Repairs Operations (HRO) Team who has assisted in achieving compliance to 61 properties this year. Internal compliance up to 31/3/19 was 85.01%, which was just ahead of the annual target of 85%.-The target of 100% internal compliance by 31/3/20 has been revised to 97% to allow the remaining 3% to be completed in the early part of 2020/21.

5.2.4 Appendix 1 provides the weekly compliance achievements and targets that are shown against each contract area for the financial year.2019/20.

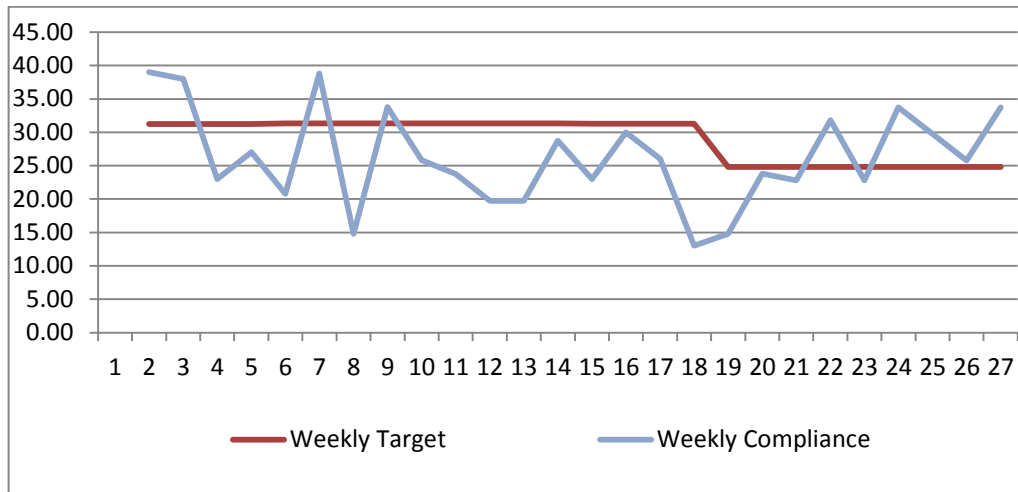
5.2.5 The planned programme for 2019/20 confirms that 1,606 properties are remaining in its final stage which represents approximately 15% of the total stock. However, since the start of this year we have transferred 43 properties to the Post 2020 Asset Management Programme (PAMS) which relates to 2 sheltered housing schemes (Britannia Court (22) Highfield Court (21) on the grounds of Health & Safety. Ty Isaf sheltered housing scheme (12) has also been transferred to the PAMS programme for Health & Safety issues and this was agreed pre 2019/20. Therefore 1563 properties are remaining for the final stages of the programme.

5.2.6 The transfer to the PAMS programme was as a result of secondary surveys carried out at the schemes in preparation for the works to commence, which identified issues with electrical works involving the supply from Western Power in addition to the detection of Asbestos Containing Material (ACM's) at Ty Isaf Risca.

5.2.7 For this reason, tenants will need to be decanted via a staged approach for all three schemes, which will not be achievable within the timescale of the WHQS programme. These schemes will therefore be included within the first year of the Post 2020 Asset Management Programme.

5.2.8 The above performance has been achieved despite the loss of a number of contractors. Contingency arrangements to cover these losses were originally set up i.e. the DPS (Dynamic Purchasing System), in-house mop up teams with other options also being considered. About 57% of the total WHQS internal works programme is being completed by our own in-house workforce, the remaining work is being carried out by external contractors.

5.2.9 Chart 1: The WHQS internal works weekly compliance rate for first six months 2019/20



5.3 Progress of the Internal Works Programme 2019/20

5.3.1 At the time of writing this report, 9,815 properties are compliant in relation to their internal elements which represent 91.78% of our stock 'Compliance' indicates that a property meets the WHQS internally because:

- We have carried out works to renew one or more elements to achieve compliance.
- One or more elements within a property were already compliant.
- One or more elements within the property have been classed as an acceptable fail.
- Or any combination of the above reasons.

5.4 Progress of External Surveying

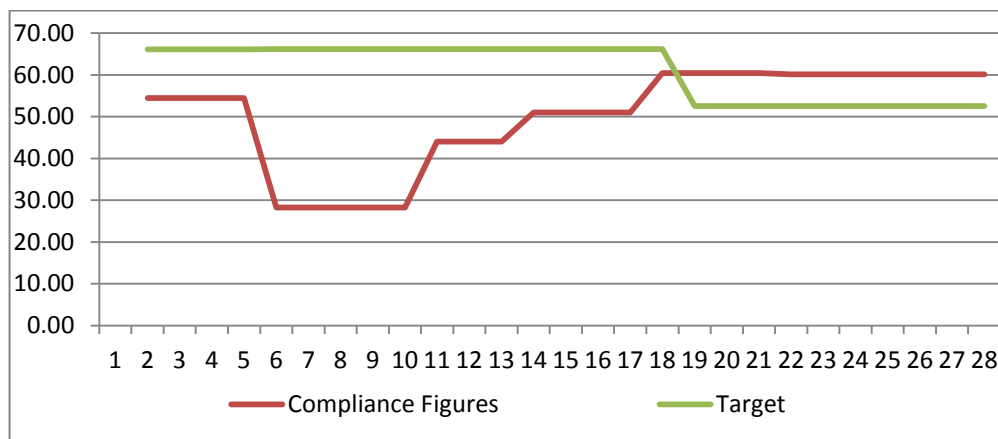
5.4.1 To date with the exception of the additional buy-back properties, 100% of external contract surveys has been undertaken to deliver the overall programme. The survey data has assisted with forecasting for future scope of works and budget monitoring for the final year.

5.5 Progress of the External Works Programme 2019/20 – Completion of Works

5.5.1 The rate of properties (including leaseholders) where external WHQS compliance has been achieved this year to date is shown in Chart 2 below.

5.5.2 Appendix 2 provides the weekly compliance achievements and targets that are shown against each contract area for the financial year 2019/20 Welsh Government expect statutory returns on the progress of WHQS achievement against our stock but this does not include leaseholders, therefore there are two separate projections i.e. Including and excluding leaseholders.

- 5.5.3 The number of properties achieving external compliance as at week 24 is 1442 (44% of this years programme). The target set at the start of the year was 66 properties per week to achieve compliance by March 2020. As explained earlier in the report, this has been re-profiled to June 2020. Members may question that the 150 properties that were transferred to the In-House Team were for internal works not external works, but the In-House Team are responsible for the external works on our sheltered schemes, therefore their whole programme had to be re-profiled to ensure the additional properties could be fitted in to their existing resources. This has resulted in a revised weekly target of 52 per week (as illustrated on Chart 2 at week 18) The actual weekly rate as at week 24 (13/9/19) is just over 60 per week, which if extended for the remaining properties means we should complete the external WHQS programme by the beginning of May 2020. The increase in performance is as a result of all work now being tendered with the majority of contracts now being commenced. This obviously assumes the same pattern of compliance per week so any deviance from this e.g. detrimental weather, could affect this performance.
- 5.5.4 External compliance up to 31/3/19 was 71%, which was below the target set of 80% due to the loss of an external contractor during the year. The target of 100% external compliance by 31/3/20 has been revised to 97% to allow the remaining 3% to be completed in the early part of 2020/21. The overall completion date is still on track to be achieved well before the Welsh Government deadline of December 2020
- 5.5.5 The planned programme for 2019/20 confirms that 3,067 properties (excluding leaseholders) are remaining in its final stages which represent 29% of the stock. However as explained in 5.2.5 above, this includes a transfer of 43 properties out of the WHQS Programme into the Post 2020 Asset Management Programme.
- 5.5.6 In addition to the above, we are also completing external works to 410 leasehold properties; however this has detrimentally affected progress due to the legislative process that needs to be followed by way of consultation. As at the end of 2018/19 170 leaseholder properties were compliant, with the remaining 240 programmed in 2019/20. At the time of writing this report, 262 leaseholder properties have been completed, representing 64% of the total leasehold stock. Although these properties are included in our final year programme to be completed, we do have an option to transfer them to the Post 2020 Asset Management Programme under the Acceptable Fail criteria (Timing of Remedy), in line with the WG guidelines. Currently, however, the weekly target of just under 4 per week is being met so the completion date is still on track to be achieved before the Welsh Government deadline of December 2020
- 5.5.7 Chart 2: The WHQS external works monthly compliance rate during 2019/20



5.6 Progress of the External Works Programme 2019/20

5.6.1 To date, 8974 properties are compliant in relation to their external elements; representing 83.92% of our stock (excluding leaseholders) 'Compliance' indicates that a property meets the WHQS externally because:

- We have carried out works to renew one or more elements to achieve compliance.
- One or more elements for a property were already compliant.
- One or more elements for the property have been classed as an acceptable fail.
- Or any combination of the above reasons.

5.6.2 93% of the whole WHQS external works programme (including leaseholders) is being completed by external contractors and 7% by our own in-house workforce. Following previous agreement by Cabinet, the in-house workforce are undertaking all works (internal and external) to sheltered housing schemes.

5.7 Tenant Satisfaction with the Internal Works Programme

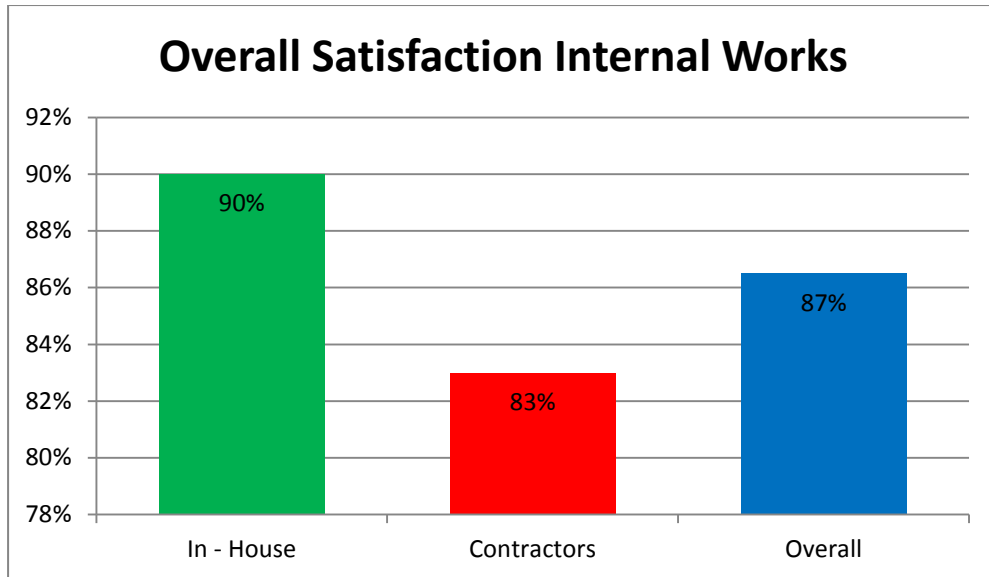
5.7.1 Tenant satisfaction levels and compliance with service standards for internal works were measured via postal surveys which were sent to tenants after each property had been completed. The survey process was suspended for a period of time during this year at the request of Wales Audit Office (WAO), as they were undertaking their own survey as part of their review of the WHQS programme. During this period the process for capturing tenant satisfaction was reviewed and tenants are now approached in the first instance by a telephone survey. The survey form has also been amended in consultation with WG and our internal Repairs and Improvements Group which has reduced the number of questions asked and also amalgamated the service standard questions into the survey making it more specific to the area of work. This allows a more timely survey to take place and also gives tenants an opportunity to feedback more effectively, along with sign posting tenants to other council services (such as reporting repairs). The revised process also enables any issues to be recorded and resolved at an earlier stage. The new telephone customer satisfaction survey process went live at the end of January 2019 and early indications show an increased number of surveys are now being completed through this process to that of the postal returns.

5.7.2 Table 1 below provides a summary and accumulative breakdown of the returned surveys for each of the WHQS service providers for internal works as at 30/9/19. It shows that the overall satisfaction level for internal works is 87%. Satisfaction levels from tenants who had internal work carried out by our in-house workforce is 90% based on a return rate of 43%, and 83% for internal works carried out by external contractors, based on a 40% return rate. This includes six months data that was received from the revised questionnaire process.

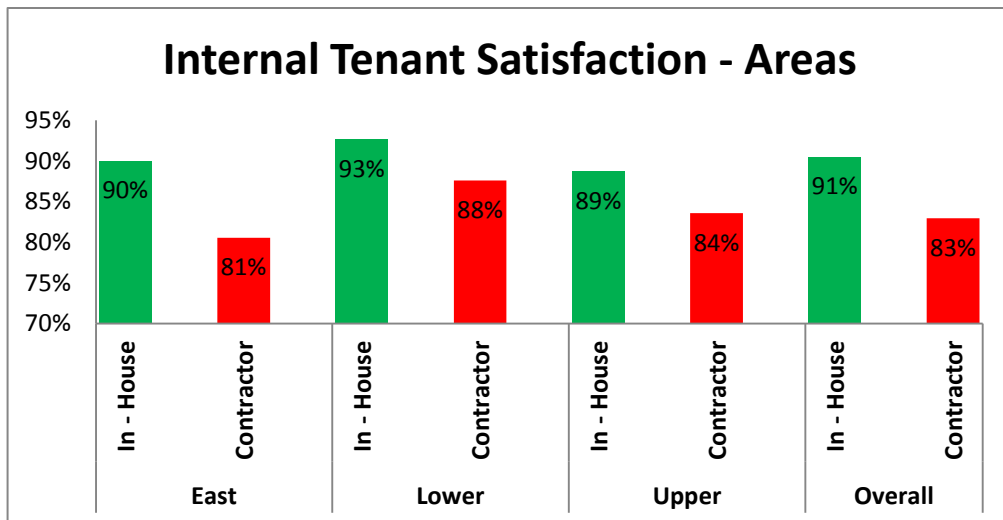
5.7.3 Comparing the first half of this year with the previous years data the return rate has increased from 42% to 47% for in-house contracts, and from 38% to 57% for external contractor contacts although overall the rate is 42% when combining all the data together. However, this shows a good increase on questionnaires moving forward.

5.7.4 Table 2 below, further displays these measures over each of the WHQS Team operational areas.

5.7.5 Table 1: Satisfaction levels by service provider



5.7.6 Table 2 Satisfaction levels by WHQS Team operational areas.



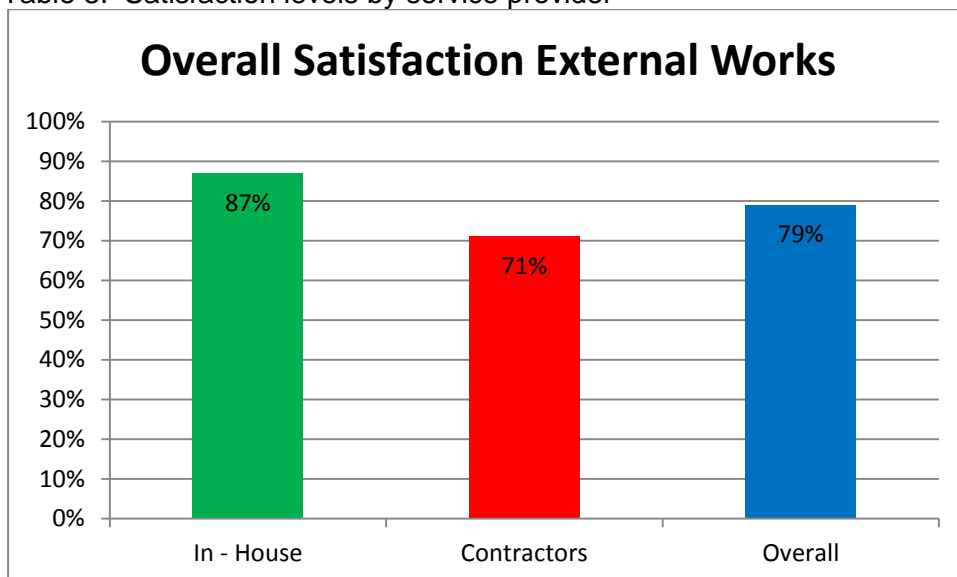
5.7.7 An analysis was undertaken on the levels of customer dissatisfaction which confirmed that in relation to the In-House workforce the main element of dissatisfaction centred on the amount of disruption they had to endure whilst works were being completed; otherwise very little concerns were raised. In relation to external contractors however, tenants raised concerns around the lack of communication, time taken to complete works, quality of work issues along with the disruption whilst works were being completed. It must be noted that the dissatisfaction related to only a few contractors and was not generally across all contractors, however it is clear from the results that our In-House workforce is out performing external contractors on internal works.

5.8 Tenant Satisfaction with the External Works Programme

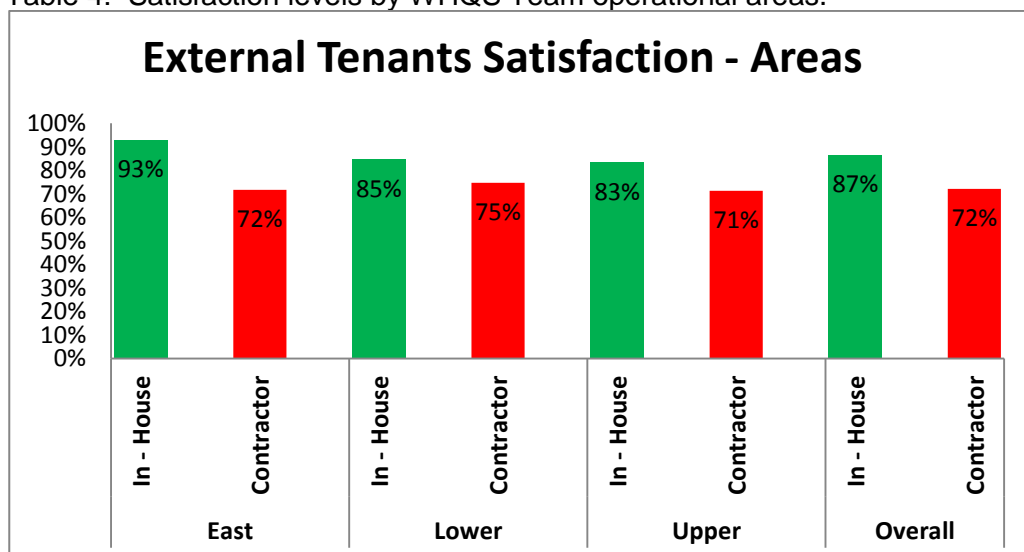
5.8.1 Table 3 below provides a summary and accumulative breakdown of the returned surveys for each of the WHQS service providers for external works contracts as at 30/09/19. It shows that the overall satisfaction level for external works is 79% based on a return rate of 32%, with the In-house team achieving 87% and external contractors 71%. Table 4 below further depict these measures over each of the WHQS Team operational areas.

5.8.2 As explained in 5.7.1 above, tenants surveys have recently been reviewed so that a telephone survey is undertaken which captures a timelier tenant response. This process also increases the volume of surveys carried out as opposed to a postal survey. Comparing the first half of this year with the previous years data the return rate has increased from 30% to 35% for contractors, with no data available on the In-House team due to pending completions. Overall, however the rate is 32% when combining all the data together. However, this shows a significant increase on questionnaires moving forward.

5.8.3 Table 3: Satisfaction levels by service provider



5.8.4 Table 4: Satisfaction levels by WHQS Team operational areas.



- 5.8.5 A further analysis was undertaken on the levels of customer dissatisfaction for external works which confirmed that in relation to the In-House workforce the main element of dissatisfaction centred on customer expectation. Some tenants could not understand why some properties on the estate that they lived had new windows and new roof, when their property didn't. It was difficult to explain to tenants that although these elements were not replaced on the WHQS Programme they would continue to be monitored for future replacement within the Post 2020 Asset Strategy which will commence immediately after the completion of the WHQS programme.
- 5.8.6 In relation to external contractors, tenants raised similar concerns around customer expectation, along with Charter for Trust issues around respect for tenant's homes and lack of communication, quality of work issues also timeliness of completing the work, however it must be noted that the dissatisfaction related to only a few contractors and was not generally across all contractors although it is again clear from the results that the In-House workforce is again out performing external contractors on external works.

5.9 Environmental Programme

- 5.9.1 Part of the commitment to deliver the WHQS across all 10,717 homes (31st March 2019 count) also includes a requirement to comply with Part 6 which aims to ensure that 'all dwellings should be located in an environment to which residents can relate and in which they can be proud to live'.
- 5.9.2 An indicative budget of £10.6m has been set aside in the business plan and agreed with WG specifically for this purpose. Projects identified to date have been estimated to cost £10.1m hence an over spend on the original budget commitment of £10.6m is predicted. There are 17 areas where additional projects are yet to be confirmed. The budget spend has also included additional environmental works to sheltered schemes, landscaping of areas following demolition of garages, and also additional costs associated with a recent legislation change from the Sustainable Drainage Approval Body (SAB) on environmental improvements of 100sqm or more.
- 5.9.3 Three Environmental Officers were recruited to work with the Area Housing teams and local members in order to initially identify environmental maintenance / repair issues. The issues were identified and collated into a single spreadsheet with each project being detailed using a proforma.
- 5.9.4 Over 300 minor projects were initially identified across the County Borough as part of the first phase of the programme. The majority were progressed; some were repackaged into larger schemes.
- 5.9.5 The second phase of the programme commenced in 2017 and involved the environmental officers undertaking an extensive engagement programme throughout the County Borough which is intended to:-
- i) Engage local communities in discussions regarding the quality and safety of their local environment.
 - ii) Identify solutions to some of the challenges and constraints within communities that could be overcome via the WHQS environmental programme, and
 - iii) To work with partners to help develop more cohesive and resilient communities through joint working and the pooling of resources.

- 5.9.6 An extensive consultation process has identified a number of large-scale projects and officers are working with In-House service colleagues to ensure these are delivered within our programme deadlines. Projects identified include new car parking schemes, skate parks, improvements to the immediate environment within sheltered schemes, dropped kerbs to enhance accessibility, green gyms and lighting. At the outset of the programme 82 communities were identified throughout the county borough. Of the 82 identified engagement and consultation events have been held and completed in 65. There are ongoing engagement events and discussions taking place in 16 and 1 area which has yet to be started. Officers have given a commitment to Members and Tenants that all 82 communities will have been engaged in the programme by 31 March 2020 although they have also advised that due to the size and nature of some of the projects identified, it is likely to take a further 12 months to be delivered. Members have previously received a separate report on the progress of the Environmental Programme.
- 5.9.7 All of the projects identified and approved to date are coterminous with the aims of the Future Generations and Well being Act and aim to contribute towards the creation of cohesive communities that are attractive, accessible and safe. The programme aims to help futureproof the borough's communities through providing relatively minor improvements such as benches and planting but also via the replacement of park equipment and the installation of new amenities such as skate parks and green gyms thereby promoting greater well being and access to the local environment.

5.10 Energy Efficiency

- 5.10.1 A range of energy efficiency improvements have been carried out as part of the WHQS programme including upgraded loft insulation, energy efficient heating and the installation of double glazed windows. The majority of non-traditional houses have also benefitted from external wall insulation, with some of these being completed prior to the main WHQS programme. This work contributes to health and wellbeing improvements and towards addressing fuel poverty. External Wall Insulation (EWI) has been installed in approximately 2,614 properties (see list of properties below).

- Gelligaer
- Ty Coch
- Bryn Carno
- Rowan Place
- Brynglas Pontlloftyn
- Brynhyfrydd Pontlloftyn
- Phillipstown
- Birchgrove flats
- Fochriw / Rhymney / Porset Park
- Markham
- Maesmabon
- Pantside
- Graig y Rhacca
- Pontlloftyn Flats
- Lansbury Park
- Morrisville & Attlee Road Blackwood
- Gilfach
- Hengoed
- Bedwas

- Maesycwmmmer
- Llanbradach
- Cefn Hengoed

5.10.2 A number of BISF houses and Cornish properties have also had EWI installed to their properties which are not included in the above.

5.10.3 A contract has recently been awarded and work commenced to undertake energy performance assessments for the housing stock to demonstrate compliance with the required energy rating of 65. However the successful contractor failed to perform satisfactorily and the contract was brought to an end. A new contract is in the process of being awarded and this work will also help to establish the energy efficiency of our homes and the contribution being made towards addressing fuel poverty. It will also be used to inform future rent levels, as energy ratings are required as part of the WG's rent setting policy.

5.11 Supply Partner

5.11.1 Following the independent review of the Supply Partner arrangement, the recommendations contained within their report was considered and, where relevant, implemented – resulting in a more cohesive team.

5.11.2 Additionally a Core Group of senior officers within CCBC and Robert Price has been set up, with the remit of considering and implementing a range of improvements to supply of materials to site, including imprest stock and stores stock – resulting in more improved systems and reduced stock-holding (for CCBC).

5.11.3 The contract continues to support local initiatives, either with donation of materials, or monetary support.

5.12 Community Benefits

5.12.1 Council made a decision at the very outset of the programme to ensure that the money invested in bringing all tenants' homes up to the WHQS would be used to support development of small and medium enterprises and create training and employment opportunities to help people back into work. Since the start of the WHQS programme the Council has invested over £200m and is projecting to invest approximately £260m by the end of the programme.

5.12.2 Community benefits have been achieved with the provision of training opportunities, 44 work placements, 114 permanent jobs and 58 apprenticeships that have been created with the in-house service, external contractors and our supply partner.

5.12.3 Both ENGIE and Robert Price have submitted Toolkits for 2018/19. The ENGIE toolkit suggests that for every £1 spent on the contract, a further £2 has been invested into the Welsh economy. The overall investment in the Welsh and UK economy as a result of the ENGIE contract value of £3,319,000 plus additional in kind benefits for the period 2018/19 equates to more than double the contract value at £6,708,911.

5.12.4 Similarly, the 2018/19 toolkit submitted by Robert Price suggests that for every £1 spent by the Council with Robert Price as its Single Source Supply partner, £1.83 is reinvested into the Welsh economy. Caerphilly Homes has spent a total of £5,827,622 with Robert Price during 2018/19 to support the delivery of the WHQS programme however, this

expenditure has generated an overall investment into the Welsh and UK economy of £10,717,232.

- 5.12.5 Robert Price have achieved and in some cases exceeded all but one of their community benefit obligations (core and non core). They continue to support local community groups via their Community Fund and have recently approved a range of donations including the purchase of accessible chairs for people with poor mobility, plants and shrubs to assist a local project working with people with learning challenges and also provided support to a local mental health charity engaging adults with poor mental health via a horticultural project.
- 5.12.6 Contractors engaged in the Council's WHQS external works programme have also delivered a number of impressive opportunities for example, LCB Construction (working in Lansbury Park) have employed 1 person deemed long term unemployed for more than 26 weeks), 2 apprentices and 1 work placement opportunity. Joyners, who are also working in Lansbury Park, have employed 3 individuals who were long term unemployed and 2 apprentices. In Rhymney, SERS have created 2 employment opportunities for individuals who are long term unemployed and in Graig Y Rhacca, CREOBUILD have created 3 opportunities for individuals deemed long term unemployed, 3 apprenticeships and 3 work experience opportunities across two contracts.
- 5.12.7 Work continues with both Engie and Robert Price to ensure that our contractual arrangements are delivering more than simply bricks and mortar. Caerphilly Homes WHQS continues to support and add value to the delivery of the Welsh Government funded Legacy, Communities4Work and Communities4Work+ programmes through an annual contribution of £50,000. The contribution has been provided each year since the start of the programme and seeks to specifically provide funding for projects that support tenants into employment. The collaboration between WHQS and the community regeneration team has created 13 new job entries and 3 training opportunities. The funding has recently also helped deliver a Jobs Fair which was held in Lansbury Park. Over 178 participants attended the day along with 30 employers, various services and organisations. It provided those attending with the opportunity to engage with the employment and Legacy Teams to help address and overcome any personal barriers to employment.
- 5.12.8 The Suits You project has also been funded as a result of the WHQS contribution. The project began as an idea to sell preloved suits and workwear in a boutique style store to unemployed people who were attending interviews and meetings with potential employers. The project is based at the Furniture Revival in Rhymney (a social enterprise run by Groundwork Wales that sells second hand furniture). Clothes are donated and are sold at low, affordable prices, with any monetary contributions obtained fed back into the project. A number of local people have had the opportunity to develop carpentry skills and qualifications as well as retail, painting and decorating, sewing and customer service experience.
- 5.12.9 The outcomes clearly demonstrate that the Council's WHQS investment in transforming homes, lives and communities is helping to sustain and grow the local economy and providing tangible benefits to local people.

5.13 The Capital Expenditure Programme for WHQS Works (2019-20)

- 5.13.1 The HRA capital budget for 2019/20 was set at £56.6m Due to the additional works added to the In-House programme from the DPS, which has extended the internal target deadline to June 2020, it has been necessary to re-profile the financial budget into the

next financial year. Expenditure for 2019/20 has therefore been revised to £45m, thus projecting a £11.6m underspend this financial year. However, the underspend will be re-profiled into 2020/21 to fund the remainder of the programme up to the end of June 2020. Table 5 below shows the level of spend per year including a projection for the final year. (Note the 2020/21 year will also require expenditure for the post 2020 programme but this is not included on the table as it represents WHQS spend only). This shows an overall projected spend of £261m. This is an increase to the original £220m projected early on in the programme, and is as a result of completing surveys to 100% of our properties. The £220m was an estimate made by Savills consultants in 2008 based on a 15% property sample and was therefore subject to change as we progressed through the programme and identified the works for each property. There has also been additional works included in the programme necessary to ensure a complete finish to the property, which would not have been costed into the plan at the start of the programme, such as decorating kitchen/bathrooms, external painting, washing down fascia's & guttering, shed doors, external wall insulation & eaves vents trays to roofs. The projected spend remains affordable within the housing business plan.

5.13.2 The pace of spend has increased steadily year on year with the final year projecting 22% of the whole capital spend. A small percentage (6%) of the total spend is not directly WHQS related and is expenditure relating to adaptations outside of the programme (delivered by our Private Housing Team) and large scale policy voids (delivered by our HRO team). That is not to say, however, that this expenditure does not contribute towards efficiencies within the actual WHQS programme. For example, tenants who have already received an adaptation prior to a WHQS contract commencing in their area will avoid duplication of OT resources and purchasing of specialist equipment within the WHQS programme. Furthermore, adaptations outside of the programme, particularly in the last few years have seen a reduction in expenditure as the WHQS programme runs through its course and identifies tenants' needs as part of the process.

5.13.3 Table 5 - HRA Capital Expenditure during the WHQS Programme cycle

HRA CAPITAL EXPENDITURE				
	<u>Non WHQS</u>	<u>WHQS</u>	<u>TOTAL</u>	
2012/13	1,383,216	18,744,984	20,128,200	8%
2013/14	1,193,582	13,456,234	14,649,816	6%
2014/15	1,424,183	13,919,893	15,344,076	6%
2015/16	1,786,302	26,846,076	28,632,378	11%
2016/17	2,794,710	28,583,723	31,378,433	12%
2017/18	2,268,389	39,950,084	42,218,473	16%
2018/19	2,328,743	49,518,758	51,847,501	20%
2019/20 est	3,000,000	42,000,000	45,000,000	17%
2020/21 est	-	11,000,000	11,000,000	4%
	16,179,125	244,019,752	260,198,877	
	6%	94%		

5.13.4 Funding for the 2019/20 spend of £45m will be met from the Major Repairs Allowance (MRA) given by WG of £7.3m, revenue contributions from the HRA of £17m, current HRA balances of £5.5m and borrowing of £15m.

5.13.5 Total spend up to the mid year of 2019/20 financial year for the HRA capital programme is £224m of which £209m relates directly to the WHQS Programme. This has resulted in 9815 (91.78%) properties achieving compliance for internal works, 8974 (83.92%) properties achieving compliance for external works, and 7616 (71.22%) properties achieving full compliance. =

5.14 Post Asset Management Strategy

5.14.1 This strategy sets out proposals following achievement of WHQS by 2020, to ensure the standard is maintained thereafter and the Councils housing portfolio continues to provide affordable, quality homes that meet our customers needs. The Strategy was considered by CHTG on the 4th September 2018, Policy & Resources Committee on the 6th September 2018, and Cabinet on the 12th September 2018.

5.14.2 The strategy applies to the maintenance and improvement of all existing and future council housing which is supported by the Housing Revenue Account. Our Asset Management system will facilitate the management of our housing stock by identifying key component replacement needs based on life cycle estimates. This will inform our delivery plan, ensuring our assets are maintained at optimum levels.

5.14.3 The first 5 years of the asset management programme will focus mainly on external works, and will ensure continuity of work for the In-House workforce who will have just completed the WHQS programme. The in-house workforce will be the main contractor with the exception of specialist work such as roofing and External Wall Insulation (EWI) energy efficiency related schemes.

5.14.4 The programme will also include five sheltered schemes identified for remodelling or demolition, in addition to the three sheltered housing scheme being suspended from the programme on Health and Safety grounds (see 5.2.5) (Reported previously in the Re-profiling of WHQS Programme 14th February 2019,). These schemes are accounted for as an Acceptable Fail due to Timing of Remedy within the WHQS programme, in line with the WHQS guidance document issued by Welsh Government.

5.14.5 The delivery plan will not only concentrate on the asset maintenance but will encompass all property functions which will link into the Asset Management Strategy, The delivery plan can be broken down into the following functions

- Statutory Landlord Maintenance
- Reactive Repairs
- Void Properties
- Asset Maintenance
- Remodelling (Sheltered Schemes)
- Accessible Housing
- Energy efficiency Improvements
- New Council Housing

5.14.6 The strategy assumes the successful achievement of WHQS by 2020, accepting however, that there will be a number of properties that have not met the standard fully and will be classed as “acceptable fails”. The majority of these are down to no access and tenant refusals and will continue to be picked up when properties become void at the end of a tenancy.

5.14.7 In order to successfully create an effective asset maintenance programme, a validation exercise has almost been completed, to ensure that each key component within the

property has been provided with an estimated date for its replacement. This will then determine the asset management programme based upon a 5 year repair or replacement cycle. Properties completed in relation to external works during 2015/16, or earlier, will therefore be included in the planned programme from 2020/21; properties completed in 2016/17 will be planned for 2021/22, and so on.

5.14.8 The specification of works for each property will be based on physical surveys. The surveyors will be assisted with information from our Asset Management System which will identify projected component life cycle replacements. The information will also assist with financial forecasting which will link into the Housing Business Plan.

5.15 Conclusion

5.15.1 As we are now entering the final stage of the programme, significant work has been undertaken to validate the compliance data and accuracy of information recorded within the Keystone database. A dedicated validation team has been set up from existing Housing staff together with a secondee from Internal Audit to ensure that effective validation is carried out. As part of this process, a working group was set up which reviewed current practices. This involved identifying and redesigning core documents for various stages of the programme and setting up a process for historical contract validations which has recently been implemented by the data validation team. Information held on No Access, Void properties and Acceptable Fails are also being scrutinised.

5.15.2 The validation process will be ongoing throughout the cycle of the WHQS programme and will ensure the system is robust enough to stand up to scrutiny at the end of the programme. It will also strengthen the process going forward by ensuring reliable information is held for the post 2020 planned maintenance programmes. The validation process was also independently verified by Internal Audit and recommendations made as part of their report have been met or are on target to be met. This will provide us with greater assurance of the full achievement of WHQS by the end of December 2020.

5.15.3 Monitoring of the compliance returns is carried out by the validation team on a weekly basis for internals and monthly for externals.

5.15.4 The anticipated outturns are shown within our Strategic Scorecard which is provided as Appendix 3. Full compliance is currently projected to be achieved by 29th May 2020 to include all leaseholder properties. This is based on the compliance return rates as at the mid point of 2019/20 financial year and are therefore subject to change. This will be closely monitored as the programme progresses with the aim of achieving full compliance by June 2020. The Welsh Government target for completion is December 2020. Further details on how these projections have been calculated are included in Appendices 4 and 5.

5.15.5 Performance information including the Strategic Scorecard is submitted and scrutinised by the Caerphilly Homes Project Board and the Repairs and Improvements Working Group on a monthly basis and included in progress reports which are submitted to Caerphilly Homes Task Group and the Housing and Regeneration Scrutiny Committee as and when required.

5.15.6 Regular progress monitoring meetings are also held with officials from WG where performance reports are discussed and they are satisfied with the current performance and projections made. WG also made a number of recommendations for improving our performance data, which have been implemented and incorporated into the information contained within this report.

- 5.15.7 Members will be aware of the WHQS review undertaken by the WAO during March and April 2017 and a follow up review between April and October 2018. The outcome of this review was reported to Cabinet on 30th January 2019 and Caerphilly Homes Task Group on 14th February 2019. WAO have now concluded that *“the Council has responded positively to our June 2017 WHQS report and statutory recommendations by making significant improvements and as a result we now conclude that it is likely to meet the WHQS by December 2020”*
- 5.15.8 Resources are constantly being reviewed in order to maintain the momentum currently being achieved and with the aim of bringing full completion forward from the end of the WG deadline of December 2020. Additional in-house resources have been secured for the sheltered housing programme. Internal work packages have been tendered through the DPS and additional assistance has been achieved through improved integration including services provided through the Housing Repair Operations team.
- 5.15.9 Some minor structure changes have been implemented which have included the establishment of a Validation Team, the provision of a Technical/Administration team and the centralising of resources to improve efficiency and reduce duplication. Further integration between WHQS and HRO has also been achieved whilst reviewing various processes.
- 5.15.10 Officers acknowledge that whilst the delivery of WHQS programme by the deadline will be an excellent achievement there is still the requirement to ensure the standard is maintained thereafter. In this regard members have already approved the post 2020 strategy and preparations to deliver this strategy have already commenced. This includes external surveys to implement the delivery of the external planned maintenance programme for 2020/21. In 2020/21 however there will be an overlap of the implementation of the Post 2020 programme with the completion of the WHQS programme by June 2020.
- 5.15.11 Consideration has also been given to providing continuity of work to the in-house workforce who will be responsible for undertaking the remodelling of the sheltered housing schemes during 2020-2025 as well as the post 2020 programme, together with any determined projects.

6. ASSUMPTIONS

- 6.1 The main WHQS programme has been set out in communities which are then broken down into streets and account for the full council housing stock.
- 6.2 In order to achieve the programme and ensure compliance with WHQS by the end of 2020, a number of assumptions have been made:-
- Adequate resources will be maintained.
 - No significant unforeseen work will be encountered which could delay the programme and increase costs.
 - Performance is maintained at current levels or improved.
 - No contractual disputes or challenges are encountered which could result in delays and/or increased costs.
 - No legislative challenges are made which could delay the awarding of contracts.
 - Reasonable weather conditions have been assumed for the remainder of the programme as significant adverse weather could impact on external works in particular.

- Revenue and expenditure assumed within the latest Business Plan does not alter significantly.

7. LINKS TO RELEVANT COUNCIL POLICIES

Corporate Plan 2018-2023

- 7.1 ***The Caerphilly We Want (CCBC, 2018-2023) - Well-Being Plan Objective Enabling Employment*** – Use investment in the housing stock to increase the Number of qualified workers and tackle worklessness by providing apprenticeship, training and work placements with our in-house workforce and building contractors.
- 7.2 ***The Caerphilly We Want (CCBC, 2018-2023): Well-being Objective 3:*** “Address the availability, condition and sustainability of homes throughout the county borough and provide advice, assistance or support to help improve people’s well-being.”
- 7.3 ***Caerphilly Homes Service Plan (2018-2023): Priority 1A:***
All Council housing is improved to meet the Welsh Housing Quality Standard by 2020.

Welsh Government Policies

- 7.4 ***Improving Lives and Communities: Homes in Wales (Welsh Government, 2010)***, which sets out the national context for improving homes and communities, including the energy efficiency of existing homes;
- 7.5 ***The Welsh Housing Quality Standard: Revised Guidance for Social Landlords on Interpretation and Achievement of the Welsh Housing Quality Standard (Welsh Government, 2008)***
- 7.6 ***A Healthier Wales: Our Plan for Health and Social Care (Welsh Government, 2018)***

8. WELL-BEING OF FUTURE GENERATIONS

- 8.1 The underlying principles of the WHQS programme, which includes the provision of good quality affordable housing, energy efficient homes and carbon reduction, sustainable communities, health and wellbeing, targeted recruitment and training, clearly links to 5 of the 7 well-being goals in ***The Well Being of Future Generations (Wales) Act 2015***. It is consistent with the five ways of working as defined within the sustainable development principle in the Act:-
- 8.2 **Long-term** - Since the Housing Ballot (2012) we continue to make substantial investments and improvements to both the internal and external environments of our social housing stock (Public Sector), including specialised adaptations in accordance with the needs of some of our tenants. Adaptations are also supported and implemented in the Private Sector (often referred to as Disability Facilities Grants).
- 8.3 These fundamental changes and improvements are being achieved through; the implementation of the Welsh Housing Quality Standards; housing adaptations in accordance with tenants and homeowners needs; enhancing the quality of product installations and repairs; improving environments around homes; all aiding the well-being of our communities, its infrastructure and citizens alike, providing homes and communities for now and the future.

- 8.4 **Prevention** - The works undertaken through Housing Services helps to improve lives and communities, by securing local employment either in-house or through supplier, contractor and partnership arrangements.
- 8.5 Works undertaken by our services make significant visual improvements to housing stocks and their surroundings environments (improved the look and feel) helping to prevent anti-social behaviour and enviro-crime.
- 8.6 By raising standards and conditions with improved quality materials and appropriate service response, should aide and ease future maintenance schedules and requirements, better controlling costs, levels of deterioration/depreciation, improve safety and accessibility, while also reducing disruption to our tenants in the future, and aiding quality of life in both Private and Public Sectors, through intervention and support actions that are fit-for-purpose.
- 8.7 **Involvement** - Through established governance and performance frameworks, tenants and local residents are consulted on proposed property and environment improvements works along with various initiatives, and they are periodically informed of progress as part of for example, the WHQS delivery programme.
- 8.8 Numerous working groups are established and well embedded with periodic reporting and feedback opportunities exploited. Welsh Government, Environment Standards, Regulatory Controls and Checks, Tenant Engagement are all part of our daily business.
- 8.9 **Collaboration** - The programme delivery focused on internal collaboration, wider partnership arrangements with suppliers and contractors, joint working with the community and various other interested parties/groups. The delivery of community benefits and tenant engagement by all involved with the WHQS programme is a key focus for the success and delivery of this objective.
- 8.10 **Integration** - The programme looks to integrate property and environmental improvements that will benefit and transform lives and communities throughout the county borough. It further brings together a variety of stakeholders to deliver long term sustainable benefits for lives and communities including Social Services & Health.
- 8.11 Housing Services and our outlined priorities, contributes to a minimum of 6 out of the 7 well-being goals within the *Well-being of Future Generations Act (Wales) 2015*, including:-
- A prosperous Wales
 - A resilient Wales
 - A healthier Wales
 - A more equal Wales
 - A Wales of cohesive communities
 - A globally responsible Wales.

9. EQUALITIES IMPLICATIONS

- 9.1 An Equalities Impact Assessment is not needed because the issues covered are for information purposes only, therefore the Council's full EIA process does not need to be applied.
- 9.2 However, it should be noted that, through the 'adaptations work and improvement programmes' we are assisting citizens with well-being opportunities and helping them stay within their home communities (inclusion). All WHQS improvements and wider environment programmes are delivering equitable standards of facilities where practical and reasonably appropriate and there are no equalities implications to this report that have not been considered or would adversely affect any individual or group who fall under one of the protected characteristics or wider issues as shown in the Council's Strategic Equality Plan.

10. FINANCIAL IMPLICATIONS

- 10.1 Finance arrangements are explained in 5.13 of this report and are incorporated into the 30 year business plan required by WG as part of the annual MRA application.
- 10.2 Up until recently there was a borrowing cap placed on all local housing authorities in Wales & England and any borrowing was strictly limited to that cap level. Caerphilly Homes' borrowing requirement (which includes historical, buy out and WHQS debt) was under its cap with a comfortable contingency. UK Government has since announced the removal of this borrowing cap which has been welcomed by Welsh Government. This is to assist local authorities to progress with new build opportunities as part of the UK Government's initiative to support increased housing demand and reduce homelessness. This will allow local housing authorities to borrow to their requirement as opposed to borrowing to a capped limit, although it will still need to remain affordable.
- 10.3 The transfer of the DPS properties to the In-House workforce has obviously resulted in a financial reprofile to ensure funding is available throughout the programme. This has altered the business plan originally submitted to WG by reducing the funding required for 2019/20 due to work being extended to June 2020. The budget of £56m this year has therefore been reduced to £45m, which has subsequently reduced the borrowing requirement to an estimated £15m for 2019/20. In 2020/21 further borrowing will be required but as further funding is also available in the form of MRA and HRA contributions it is not anticipated that the total borrowing requirement will exceed the original £57m proposed. As we work through the financial commitments necessary for the post 2020 programme, in particular for 2020/21 year, we will be able to identify the exact funding requirements for both the Post 2020 programme and the remaining WHQS Programme.
- 10.4 The business plan remains affordable with the above level of borrowing which will sustain the level of work required to complete the programme within the timescale required, and the current post 2020 commitments.
- 10.5 The business plan includes a level of assumptions such as interest rates, rent increases, pay awards and inflation that are subject to variation. Any significant changes are reviewed and re-run into the business plan to ensure affordability remains.

11. PERSONNEL IMPLICATIONS

- 11.1 Personnel resources are continually reviewed to ensure the momentum of this major investment programme remains on track. Agency workers are also utilised to support the programme due to the temporary nature of some positions and also due to the lack of suitable candidates in the market place.
- 11.2 Furthermore, as this is the final stage of the programme, **we need to** review our resources to maintain the Post 2020 strategy programme, with the aim of ensuring the in-house workforce remains sustainable and that there is effective integration across the housing service
- 11.3 As part of the Post 2020 programme, continued close management and monitoring of performance of the programme is essential to ensure that its delivery is not compromised in any way. There will be an increase in workload for the in-house team who are predominantly managing the programme along with remodelling of sheltered schemes. Additional resources may be required to ensure performance in achieving the objective is maintained and the right skill set is available, and will be considered in further detail as the Post 2020 work is developed in detail.

12. CONSULTATIONS

- 12.1 All consultee responses have been incorporated within the report.
- 12.2 Caerphilly Homes Task Group will receive this report on 16th November 2019.

13. STATUTORY POWER

- 13.1 Housing Acts 1985, 1996, 2004. This is a Cabinet function.

Author: Paul Smythe – Housing Technical Manager
(Tel: 01443 8664019/866754, Email: smythp@caerphilly.gov.uk)

Consultees:	Cllr Lisa Phipps	Cabinet Member for Homes & Places
	Cllr J Ridgewell	Chair-Housing & Regeneration Scrutiny Committee
	Cllr C Forehead	Vice Chair-Housing & Regeneration Scrutiny Cttee
	Dave Street	Corporate Director of Social Services & Housing
	Shaun Couzens	Chief Housing Officer.
	Stephen Harris	Interim Head of Corporate Finance & S151 Officer
	Jane Roberts-Waite	Strategic Co-ordination Manager
	Fiona Wilkins	Housing Services Manager
	Deborah Gronow	Service Auditor
	Lesley Allen	Principal Accountant (Housing)
	Kath Webb	Relationship Manager
	Rhys Lewis	Systems and Performance Manager.
	Colin Roden	WHQS Project Manager
	Alan Edmunds	WHQS Project Manager
	Steve Greedy	WHQS Project Manager
	Mark Jennings	Housing Strategy Officer
	Amy Bray	Business Improvement Support

Appendices

Appendix 1 - Weekly Internal Compliance Achievements and Targets for each contract area.

Appendix 2 - Weekly External Compliance Achievements and Targets for each contract area.

Appendix 3 - WHQS Strategic Scorecard

Appendix 4 - Projections for internal works.

Appendix 5 - Projections for external works.

APPENDIX 1 - WHQS INTERNAL WORKS COMPLIANT DATA 2019 / 20

To Week	26
	27/09/19

IN YEAR							
		Planned	Revised	Contract	HRO	20/20	Total
Area	Contractor	2019/20 Planned	2019/20 Revised	Cumulative Contract Compliance	Cumulative Voids & Mop Ups		
All areas	In House	604	753	220	23	0	243
All areas	Sheltered	319	276	180	7	0	187
All areas	DPS	378	226	114	10	0	124
EV	Keepmoat	280	278	108	17	0	125
URV	Vinci	23	23	1	3	0	4
LRV	Contract Serv	0	0	0	0	0	0
To be allocated		2	7	0	1	0	1
		1606	1563	623	61	0	684

Compliant	Target
Average Weekly Compliant data (inc voids & No Access)	Target Weekly Compliant 100% June 2020
9.35	11.95
7.19	4.38
4.77	3.59
4.81	4.41
0.15	0.37
0.00	0.00
0.04	0.11
26.31	24.81

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CUMULATIVE TO DATE						
Area	Contractor	Stock No	Previously Compliant	2019/20 to Date	Compliant to date	Remaining
All Areas	In House	5145	4392	243	4635	510
All Areas	Sheltered	767	491	187	678	89
EV	Keepmoat	2280	2002	125	2127	153
URV	Vinci	1015	992	4	996	19
LRV	Contract Serv	872	872	0	872	0
Non Trad		95	95	0	95	0
Post 2020		182	139	43	182	0
D.P.S.		330	104	124	228	102
To be allocated		8	1	1	2	6
TOTAL STOCK		10694	9088	727	9815	879
					91.78%	8.22%

STOCK LEVEL	
Opening Stock 1.4.19	10717
Less RTB's	-28
Added to stock	5
To be demolished/Out of Debit	0
TOTAL STOCK	10694

Requires Action less than 10% of target
Caution Within tolerance
Target Achieved At or above target

IN YEAR					
Area	2019/20 Planned	2019/20 Revised	Compliance in year	Average Weekly Compliance	Target Weekly Compliant 100%
Eastern Valley	670.91	668.31	376.55	15.69	10.61
Upper Rhymney	843.69	843.69	389.21	16.22	13.39
Lower Rhymney	810.6	810.60	263.37	10.97	12.87
Sheltered	358.75	316.75	138.22	5.76	5.03
Private Sector	409.43	409.43	177.10	7.38	6.50
Leaseholders	239.93	239.93	92.30	3.85	3.81
Non Trad	7.5	7.50	5.50	0.23	0.12
To be allocated	7	11.00	0.00	0.00	0.17
	3347.81	3307.21	1442.25	60.09	52.50

66

With Lease Holders

CUMULATIVE TO DATE				
Area	Stock No	Compliant up to 1.4.19	Completions 19/20	Compliant to Date
Eastern Valley	3110	2459	376.55	2835.55
Upper Rhymney	3197	2363.23	389.21	2752.44
Lower Rhymney	2338	1556.4	263.37	1819.77
Sheltered	792	469.25	138.22	607.47
Private Sector	970	507.57	177.10	684.67
Leaseholders	410	170.07	92.30	262.37
Non Trad	95	86.5	5.50	92.00
Post 2020	182	139	43.00	182.00
To be allocated	10	0	0.00	0.00
TOTAL STOCK	11104	7751.02	1485.25	9236.27
		69.80%	13%	83.18%

Without Lease Holders

CUMULATIVE TO DATE				
Area	Stock No	Compliant up to 31.3.19	Completions 19/20	Compliant to Date
Eastern Valley	3110	2459.00	376.55	2835.55
Upper Rhymney	3197	2363.23	389.21	2752.44
Lower Rhymney	2338	1556.40	263.37	1819.77
Sheltered	792	469.25	138.22	607.47
Private Sector	970	507.57	177.10	684.67
Non Trad	95	86.50	5.50	92.00
Post 2020	182	139.00	43.00	182.00
To be allocated	10	0.00	0.00	0.00
TOTAL STOCK	10694	7580.95	1392.95	8973.90
		70.89%	13%	83.92%

STOCK LEVEL	
Opening Stock 1.4.19	10717
Less RTB's	-28
To be demolished/Out of Debit	0
Added to stock	5
TOTAL STOCK	10694
Leaseholders	410
TOTAL STOCK INC LEASEHOLDERS	11104

Requires Action	Less than 10% of target
Caution	Within Tolerance
Target Achieved	At or above target

APPENDIX 3

WHQS - STRATEGIC SCORECARD - LEVELS OF COMPLIANCE
(Standards Met - by Number of Properties)

Reporting Period	27/09/19
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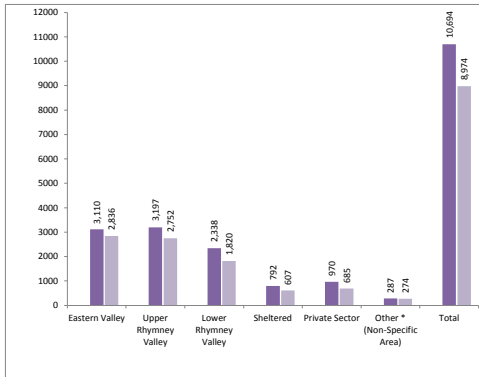
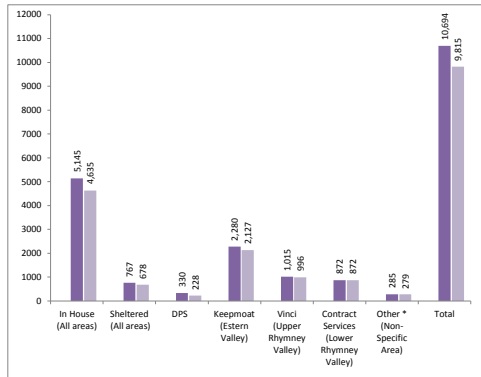
Reporting Period	13/09/19
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***INTERNAL Works Programme** (Stock v Compliance)

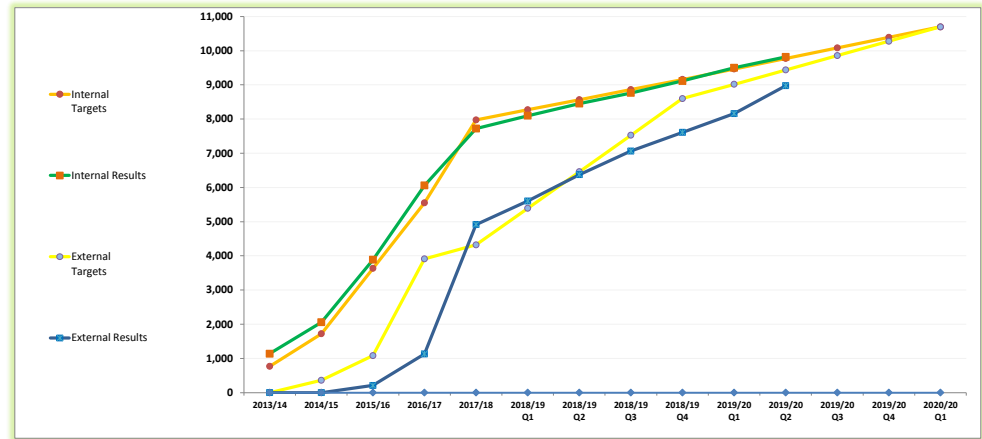
~EXTERNAL Works Programme (Stock v Compliance)

Internal Target 30/6/20	100.00%
Internal Components (% of stock)	91.78%

External Target 30/6/20	100.00%
External Components (% of stock)	83.92%



INTERNAL & EXTERNAL - Programme Profile (Targets & Results Achieved)



Tenants Satisfaction - Internal Works	In - House	Contractors
Return Rate	42%	38%
Satisfied	91%	82%
Neither Satisfied nor Dissatisfied	4%	7%
Dissatisfied	5%	11%

Tenants Satisfaction - External Works	In - House	Contractors
Return Rate	48%	30%
Satisfied	87%	69%
Neither Satisfied nor Dissatisfied	2%	10%
Dissatisfied	11%	21%

Tenants satisfaction is reported from the start of the contract to the current date

Projected Compliance Date for Internal works - 29/05/20 Projected Compliance Date for External works - 01/05/20

Financial Programme	12/13	13/14	14/15	15/16	16/17	17/18	18/19 Projected	19/20 Projected	2020 Projected
Budget (£,000's)	19,100	48,320	77,990	107,660	136,880	166,100	195,320	220,000	
Actual Spend	19,057	33,707	49,051	77,683	109,061	152,165	200,165	261,000	
Balance	43	14,613	28,939	29,977	27,819	13,935	(4,845)	(41,000)	

The above finance table details accumulative budget allocations and spend profiles to date, which are subject to annual review and re-profiling.

TARGET PERFORMANCE			
	WEEKLY TARGET	WEEKLY RESULT	TARGET ACHIEVED
INTERNALS			
In House	11.95	9.35	👎
Sheltered	4.38	7.19	👎
DPS	3.59	4.77	👎
Keepmoat	4.41	4.81	👎
Vinci	0.37	0.15	👎
Contract Serv	0.00	0.00	👎
To be allocated	0.11	0.04	👎
OVERALL	24.81	26.31	👎
👎	Target achieved or within 10% tolerance		
👎	Target not achieved		
EXTERNALS			
Eastern Valley	10.61	15.69	👎
Upper Rhymney	13.39	16.22	👎
Lower Rhymney	12.87	10.97	👎
Sheltered	5.03	5.76	👎
Private Sector	6.50	7.38	👎
Leaseholders	3.81	3.85	👎
Non Trad	0.12	0.23	👎
To be allocated	0.17	0.00	👎
OVERALL	52.50	60.09	👎

COMMENTS/ACTION POINTS

- Loss of Contractor Services and Vinci terminating the contract early
- Newly implemented DPS system utilising local contractors to pick up the work intended for Contractor Services and Vinci and external works with an option to include the in-house workforce if required
- Separate teams are set up within HRO to pick up isolated properties with access issues, enabling the WHQS team to focus on delivering the programme without affecting performance - this is working well and is evidencing effective integration
- An additional in-house team has been established to increase performance on the sheltered contracts
- Work programmed for Engie will reduce significantly in 2019/20 therefore options being considered to allocate additional work to assist with performance
- Issues with two external works contractors going into liquidation has resulted in several contracts being reallocated which will ultimately affect targets in the short term

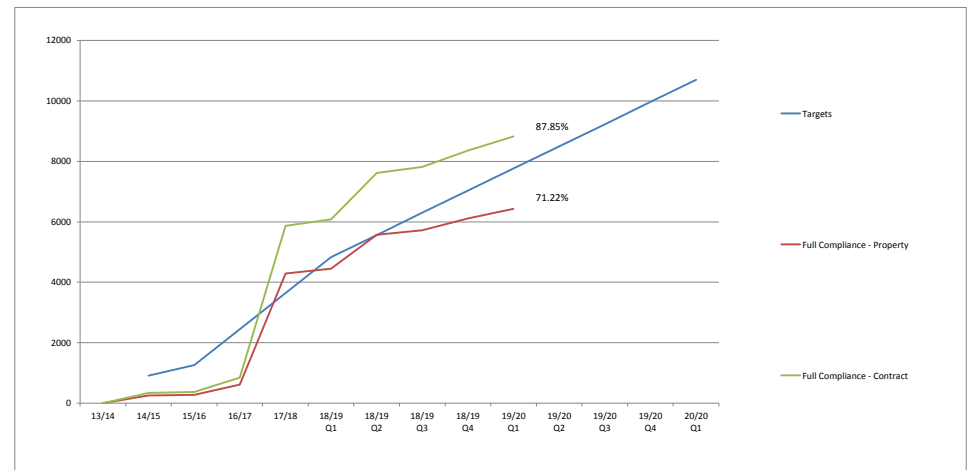
The charts above, have been based on properties surveyed, improvement works undertaken, post-work inspections and portfolio updates, focusing on the following WHQS components:

Internal Works : 4 main elements - Kitchens, Bathrooms, Heating & Electric.

External Works : 10 main elements - Boundary walls, Doors, Drainage works, Fences/Railings/Gates, Curtilage works, Paths/Drives, Roofs, Stores/Sheds/Outbuildings, Windows & property skin

Other specialist works/improvements are also undertaken in conjunction with the WHQS Programme, such as Adaptations to meet the specific needs of the tenants

WHQS - Properties fully compliant (total stock)



APPENDIX 4

Internal Forecast Data

Current Compliance			9815
Compliance since April 2019	684 Properties to date	26	26.31 per / week
2019 - 2020 remaining	37 weeks @	26.31 properties per week	973.38
Total projected compliance on current stock			10788.38
Stock Number			10694
Projected over run			-94.38
	-94.38 divided by	26.31 properties per week	-4 Weeks
Full compliance projected to be achieved by			29th May 2020

APPENDIX 5

External Forecast Data (Without Leaseholders)

Current Compliance			8973.90
Compliance 2018/19 to date	1392.95 Propeties to date		56.25 per / week
2019 - 2020 remaining	39 weeks @	56.25 properties per week	2193.67
Total projected compliance on current stock			11167.57
Stock Number			10694
Projected over run			-473.57
	-473.57 divided by	56.25 properties per week	-8 weeks
Full compliance projected to be achieved by			01/05/20

External Forecast Data (With Leaseholders)

Current Compliance			9236.27
Compliance 2018/19 to date	1485.25 Propeties to date		60.09 per / week
2019 - 2020 remaining	39 weeks @	60.09 properties per week	2343.66
Total projected compliance on current stock			11579.93
Stock Number			11104
Projected over run			-475.93
	-475.93 divided by	60.09 properties per week	-8 weeks
Full compliance projected to be achieved by			01/05/20



CAERPHILLY HOMES TASK GROUP – 16TH JANUARY 2020 (DEFERRED FROM 31ST OCTOBER 2019)

**SUBJECT: HOUSING REVENUE ACCOUNT BUDGET MONITORING – PERIOD 4
2019/20**

**REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE
SERVICES**

-
- 1.1 The attached report, which informed Members of projected revenue expenditure for the Housing Revenue Account (HRA) for the 2019/20 financial year, and detailed the HRA capital programme which is predominantly funded by the HRA, was considered by the Housing and Regeneration Scrutiny Committee on 15th October 2019.
 - 1.2 The report highlighted the distinction between the HRA, which is funded by rental income received from council tenants, and General Fund Housing activities, which fall under the General Fund and are funded by the Council taxpayer. Although there is a clear separation of these funds, the majority of council tenants rent is funded from housing benefits which are derived from the tax payers purse and therefore value for money must always be sought. The report outlined the projected outturn for the HRA based upon the expenditure and income for the first four months of the year.
 - 1.3 The Scrutiny Committee noted the HRA budget for 2018/19 of £51.7m with its main components consisting of £11m of salaries (net of WHQS funding), £9.5m of capital financing charges, £9.3m of response repairs, and £17m of revenue contributions to fund the WHQS programme. The spend on the HRA is self-financed mainly by the rental income collected from Council Tenants, of which around 71% is funded by Housing Benefits. The underspend at period 4 is projected to be £2.3m, with the reasons for this underspend set out at Sections 5.2 to 5.7 of the report.
 - 1.4 In relation to Housing Supply and Housing Allocations costs (as detailed in the summary of expenditure appended to the report), concerns were expressed regarding increased demand for Council housing and a Member asked if it would be of benefit to review the allocations process. The Scrutiny Committee were reminded of the Common Allocation Policy in place and were provided with examples of the qualifying criteria that is used to award priority to applicants with a defined housing need. Discussion took place regarding under-occupancy in Council properties and assurances were given that property size is matched to household size wherever feasible. Officers explained that there are exceptions in areas of lower demand where it is more beneficial to allow a property to be under-occupied than for it to remain vacant. It was confirmed that in such instances, a financial assessment is carried out with the prospective tenant to ensure that they can afford the higher rental costs. The Committee also discussed the benefits of community living housing models, as well as succession rights across sole and joint tenancies.
 - 1.5 A Member asked if Response Repair costs associated with WHQS works are recouped

from the contractor. Officers explained that any repairs within a 12 month period are undertaken by the contractor, and confirmed that some products are covered under the manufacturer's warranty period of up to 7 years. Discussion also took place regarding the proportion of tenants receiving Housing Benefit and WG targets in respect of council housing. Officers confirmed that this level of detail would be included in the Caerphilly Homes - #Building Together report being presented to the next meeting of the Scrutiny Committee.

- 1.6 Having considered and discussed the report, the Scrutiny Committee noted its contents.
- 1.7 The attached report is now presented to the Caerphilly Homes Task Group as an information item. The Task Group are requested to note the contents of the report and the above comments from the Housing and Regeneration Scrutiny Committee.

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

Appendices:

Appendix Report to Housing and Regeneration Scrutiny Committee on 15th October 2019 - Agenda Item 9



HOUSING AND REGENERATION SCRUTINY COMMITTEE – 15TH OCTOBER 2019

**SUBJECT: HOUSING REVENUE ACCOUNT BUDGET MONITORING – PERIOD 4
2019/20**

REPORT BY: CORPORATE DIRECTOR FOR SOCIAL SERVICES AND HOUSING

1. PURPOSE OF REPORT

- 1.1 To inform Members of projected revenue expenditure for the Housing Revenue Account (HRA) for the 2019/20 financial year. The HRA capital programme which is predominantly funded by the HRA is also included within this report.

2. SUMMARY

- 2.1 Members will be aware of the distinction between the HRA, which is funded by rental income received from council tenants, and General Fund Housing activities, which fall under the General Fund and are funded via the Council taxpayer. Although there is a clear separation of these funds, the majority of council tenants rent is funded from housing benefits which are derived from the tax payers purse and therefore value for money must always be sought.
- 2.2 The report outlines the projected outturn for the HRA based upon the expenditure and income for the first four months of the year
- 2.3 The HRA budget for 2018/19 is £51.7m with its main components consisting of £11m of salaries (net of WHQS funding), £9.5m of capital financing charges, £9.3m of response repairs, and £17m of revenue contributions to fund the WHQS programme. The spend on the HRA is self financed mainly by the rental income we collect from our Council Tenants of which about 71% is funded by Housing Benefits. The underspend at period 4 is projected to be £2.3m and the main reason for this is detailed below.

3. RECOMMENDATIONS

- 3.1 Members are requested to note the contents of the report.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that Members are informed of the projected financial position of the Housing Revenue Account

5. THE REPORT

5.1 Introduction

- 5.1.1 The HRA is currently projecting a £2.3m under-spend, which represents about 4% of the total

HRA budget. The main variances are summarised below and full financial details are provided in Appendix 1.

5.2 Salaries & Mileage (£195k under spend)

5.2.1 Salaries and associated costs within the HRA are currently expected to underspend by some £195k against a £11m salary. There are some offsetting over and under spends in this area given the volume of staff which includes sickness cover, request for reduced hours and timing for filling vacant posts.

5.3 Non Pay related (£101k under spend)

5.3.1 The main area of underspend is associated with office related costs of £51k such as stationery, photocopying, postage, office equipment, maintenance and cleaning. A further £50k underspend is attributable to budgets that are service specific such as void security, shop management, tenant participation, and catering & utility charges within our sheltered schemes.

5.3.2 Typically there are some budget areas within this category that tend to be quite volatile and therefore could generate further savings throughout the year, such as bad debt provisions, various housing projects and other office costs.

5.4 Building Maintenance & Response Repairs (£365k under spend)

5.4.1 This area is currently projecting an underspend of some £365k. This is made up of £505k under spend in cyclical and revenue projects which includes damp proofing, non – DLO works, sheltered & infrastructure projects, gas & electrical servicing, and safety works, offset by a £140k over spend in Response Repairs which includes transport costs and sub contractors.

5.4.2 The increase in spend in Response Repairs is as a result of increased works associated with supporting the WHQS Programme. Integration within the HRO and WHQS teams has however been evidenced on areas such as mopping up works, electrical works for no access issues and ensuring all void properties are brought up to WHQS standard before being re-let. There has been additional income into this budget as a result of recharging the WHQS budget for the work and efficiencies have also been made within the revenue projects budget where HRO have absorbed costs within its core budget.

5.4.3 The contingency budget of £500k is prudently assumed to be fully committed at this stage, but may release further savings if not fully utilised by year end.

5.4.4 As a result of incorporating the costs of delivering the Building Maintenance service within the HRA, the WHQS holding account was set up to monitor the in house workforce costs that are recharged to the WHQS capital programme. A budget of £10.5m has been allocated in 2019/20 along with an income recharge to the capital programme so that the HRA has a nil cost. This budget is currently not projecting any variance but work is ongoing to ensure adequate resource is available as we head into the final stages of the WHQS programme.

5.4.5 A further budget is set in the HRA for the Management and Delivery of the WHQS Programme. Current projections are showing an underspend of some £440k due to staff turnover but as per the In house holding account, this is also recharged fully to the WHQS Programme and is therefore a nil cost to the HRA. The WHQS programme will therefore benefit from this saving.

5.5 Capital Financing Requirement (CFR) (£1m underspend)

5.5.1 There is a CFR budget of £9.5m which is a Minimum Revenue Provision (MRP) of £2.6m to repay the HRA debt and £6.9m of interest charges. The HRA debt consists of historical debt

and the debt which was taken up in 2015 as part of the Buy Out of the Housing Revenue Account Subsidy (HRAS) system. More recently the CFR debt has increased due to the borrowing needed to part fund the WHQS Programme (£23m in 2018/19) but this was not actioned until the 2019/20 financial year where more favourable rates were available.

5.5.2 This has resulted in a lower CFR figure at 2018/19 year end than anticipated which means a lower MRP charge in 2019/20 (because MRP is charged a year after the borrowing has been taken up) and a lower interest charge (because the interest is applied against a lower figure) thus creating a £1m saving this year.

5.6 **Income (£169k under spend)**

5.6.1 Based on our quarter 1 projections the HRA income is likely to increase slightly. Income varies throughout the year especially on rental and service charges due to void fluctuations.

5.7 **Revenue Contributions to Capital Outlay (RCCO) (£440k under spend)**

5.7.1 The HRA allows for some £17m of revenue contributions towards the WHQS Programme and this includes an element for the WHQS management team responsible for the delivery of the WHQS Programme which is anticipating a £440k underspend as explained in 5.4.5 above.

5.7.2 The total expenditure on the WHQS capital programme as at period 4 is some £12m against a budget of £56m. £4.5m of the spend relates to internal spend and £6.4m relates to external spend with the remainder on large scale voids, garages and works of adaptations

5.7.3 The HRA RCCO allocation will fund this budgeted spend in addition to the £7.3m Major Repairs Allowance (MRA) from Welsh Government, with the remaining balance being funded from HRA working balances and borrowing

5.7.4 Borrowing of £23m was taken up for the first time since the start of the WHQS Programme to fund expenditure in 2018/19. A further £34m borrowing is projected for 2019/20 based on a £56m spend but this is being monitored throughout the year. Furthermore the £56m budget represents the likely spend on work for the remaining properties in the programme in the final year. The anticipated completion date is currently June 2020 so therefore the budget could span 2 financial years and will be reprofiled accordingly.

5.7.5 WHQS Internal works as at week 18 (2/8/19) is 89.66% compliant – monitored weekly

5.7.6 WHQS External works at week 16 (19/7/19) is 78.65% compliant – monitored monthly

5.7.7 Full WHQS compliance (where properties have achieved both internal and external compliance) is 60.06% achieved in the first 4 months.

5.7.8 100% full compliance is expected to be achieved by June 2020 ahead of the December 2020 deadline.

5.7.9 A Post Asset Management Strategy (PAMS) working group has been set up to ensure that the WHQS standard is continuously maintained once full compliance is achieved. A 5 year external programme is currently being worked on which will be costed out and applied to the Housing Business Plan to ensure it remains financially viable.

5.8 **HRA Working Balances**

5.8.1 Working balances at the start of 2019/20 financial year were £5.5m. This is expected to be fully utilised this year against the WHQS Programme

5.8.2 Whilst priority will be given to the delivery and achievement of the WHQS Programme, borrowing may be required to increase the supply of council housing to meet the Welsh

Governments proposal that 20,000 new homes be delivered in Wales by 2021.

6. ASSUMPTIONS

- 6.1 Assumptions linked to this report were detailed in the budget report to Council on 21st February 2019.
- 6.3 The projected outturn position is based on actual income and expenditure details to the end of July 2019, together with data used to forecast future income and expenditure, following discussions with Managers.

7. LINKS TO STRATEGY

- 7.1 The contents of this report are in accordance with the Budget Strategy agreed by Council at its meeting on 21st February 2019.
- 7.2 Effective financial planning and financial control contribute to the following Well-being Goals within the Well-being of Future Generations (Wales) Act 2015: -
- 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.

8. WELL-BEING OF FUTURE GENERATIONS

- 8.1 Effective financial management including the effective utilisation of external grant funding is a key element in ensuring that the Well-being Goals within the Well-Being of Future Generations (Wales) Act 2015 are met.

9. EQUALITIES IMPLICATIONS

- 9.1 This report is for information purposes, so the Council's Equalities Impact Assessment (EqIA) process does not need to be applied.

10. FINANCIAL IMPLICATIONS

- 10.1 As detailed throughout the report.

11. PERSONNEL IMPLICATIONS

- 11.1 There are no direct personnel implications arising from this report.

12. CONSULTATIONS

- 12.1 There are no consultation responses that have not been reflected in this report.

13. STATUTORY POWER

13.1 Local Government Acts 1972 and 2003 and the Council's Financial Regulations.

Author: Lesley Allen, Principal Group Accountant, Housing
allenl@caerphilly.gov.uk Tel: 01443 864470

Consultees: Cllr J. Ridgewell, Chair Housing & Regeneration Scrutiny Committee
Cllr C. Forehead, Vice Chair Housing & Regeneration Scrutiny Committee
Cllr L. Phipps, Cabinet Member for Homes & Places.
D. Street, Corporate Director Social Services
S. Couzens, Chief Housing Officer
S. Harris – Interim Head of Business Improvement Services and Acting S151 Officer
F. Wilkins – Public Sector Housing Manager
P. Smythe – Housing Technical Manager

Appendices:
Appendix 1 HRA Financial Plan 2019/20 (Period 4)

Appendix 1

HOUSING	Page	Estimate	Projected	Variance
	No	2019/2020	2019/2020	2019/2020
<u>HOUSING REVENUE ACCOUNT</u>		£	£	£
<u>SUMMARY</u>				
GENERAL MANAGEMENT		1,236,433	1,216,993	19,440
CAPITAL FINANCING		9,503,210	8,450,389	1,052,821
CENTRAL RECHARGES		2,292,722	2,290,477	2,245
STRATEGY AND PERFORMANCE		1,747,372	1,615,269	132,103
PUBLIC SECTOR HOUSING		5,616,070	5,568,577	47,493
SUPPORTED HOUSING		-	-	-
BUILDING MAINTENANCE SERVICES		31,354,060	30,453,156	900,904
GROSS EXPENDITURE		51,749,867	49,594,861	2,155,006
INCOME		(51,749,867)	(51,919,070)	169,203
(SURPLUS)/DEFICIT CONTRIBUTION (TO)/FROM WORKING BALANCES		-	(2,324,209)	2,324,209
<u>HOUSING REVENUE ACCOUNT</u>		£	£	£
<u>GENERAL MANAGEMENT</u>		1,236,433	1,216,993	19,440
<u>CAPITAL FINANCING COSTS</u>				
Interest Charge		6,903,221	6,314,414	588,807
Principal		2,556,989	2,092,975	464,014.00
Debt Management		43,000	43,000	-
Resheduling Discount		-	-	-
EXPENDITURE TO HRA SUMMARY		9,503,210	8,450,389	1,052,821
<u>CENTRAL RECHARGES</u>				
Central Recharges		1,810,175	1,810,175	-
Grounds Maintenance recharge to HRA		482,547	480,302	2,245
EXPENDITURE TO HRA SUMMARY		2,292,722	2,290,477	2,245

<u>HOUSING REVENUE ACCOUNT</u>		£	£	£
STRATEGY & PERFORMANCE		143,299	126,350	16,949
PERFORMANCE DEVELOPMENT		693,118	648,601	44,517
COMMUNICATIONS & ENGAGEMENT		117,281	116,414	866.67
TRANSFORMING LIVES & COMMUNITIES		793,674	723,244	70,430
HOUSING SUPPLY (HRA)		-	660	(660)
EXPENDITURE TO HRA SUMMARY		1,747,372	1,615,269	132,103
<u>HOUSING REVENUE ACCOUNT</u>		£	£	£
<u>PUBLIC SECTOR HOUSING</u>				
Landlord General		173,862	178,146	(4,284)
Sheltered Accommodation		1,477,027	1,432,588	44,439
Holly Road Community Support		3,922	4,014	(92)
Eastern Valley AHO		679,443	707,062	(27,619)
Upper Rhymney AHO		831,354	847,355	(16,001)
Lower Rhymney Valley AHO		33,091	36,674	(3,583)
Gilfach NHO		-	-	-
Lansbury Park NHO		357,514	330,758	26,756
Graig Y Rhacca NHO		288,836	279,844	8,992
Housing Allocations Cont.		144,839	144,839	-
Tenants & Communities Involment		510,761	496,983	13,778
Leaseholders Management		66,167	85,004	(18,837)
Tenancy Enforcement		283,474	271,327	12,147
Rents		811,455	799,659	11,796
Community Wardens		(45,675)	(45,675)	-
EXPENDITURE TO HRA SUMMARY		5,616,070	5,568,577	47,493

<u>HOUSING REVENUE ACCOUNT</u>		£	£	£
<u>RESPONSE REPAIRS & MAINTENANCE</u>				
Employee Expenses net of recharges		1,470,448	1,400,360	70,088
Repairs & Maintenance on Housing Stock				
Responsive Repairs		9,340,056	9,510,881	(170,825)
Revenue Contribution to Capital - WHQS Programme		17,086,210	16,643,997	442,213
Group/Planned Repairs (priorities 5 & 8)		-	-	-
Void Repairs (priority 6)		-	-	-
Revenue Projects		1,444,000	1,192,181	251,819
Planned Cyclical		1,747,336	1,494,841	252,495
Planned Programme		-	-	-
		29,617,602	28,841,900	775,702
Transport Related		42,800	54,051	(11,251)
Supplies & Services		223,210	156,846	66,364
EXPENDITURE TO HRA SUMMARY		31,354,060	30,453,156	900,904

<u>HOUSING REVENUE ACCOUNT</u>		£	£	£
<u>INCOME</u>				
<u>Rents - Dwelling</u>				
Gross Rent - Dwellings	(45,563,933)	(46,100,058)	536,125	
Gross rent - Sheltered	(4,556,918)	(4,234,242)	(322,676)	
Gross Rent - Hostel	-	-	-	
Voids - General Needs Dwelling/Sheltered	815,000	799,955	15,045	
Add'l Income O/Side Rent Debit (WHQS)	-	(1,693)	1,693	
Voids - Hostel	-	-	-	
Net Rent	(49,305,851)	(49,536,039)	230,188	
<u>Rents - Other</u>				
Garages	(355,307)	(351,812)	(3,495)	
Garage Voids	157,163	137,803	19,360	
Shop Rental	(59,872)	(52,861)	(7,011)	
	(258,016)	(266,871)	8,855	
<u>Service Charges</u>				
Sheltered - Service Charges	(1,447,744)	(1,415,372)	(32,372)	
Sheltered - Heating & Lighting	(151,798)	(124,006)	(27,792)	
Sheltered & Dispersed- Alarms	-	-	-	
Catering Recharge - Sheltered Accommodation	(33,438)	(28,583)	(4,855)	
Voids Schedule Water	69,741	70,351	(610)	
Non Scheduled Water Rates	(45,654)	(41,443)	(4,211)	
Welsh Water Commission	(546,807)	(546,807)	-	
Leaseholder - Service Charges	(10,000)	(10,000)	-	
	(2,165,700)	(2,095,861)	(69,839)	
<u>Government Subsidies</u>				
Housing Subsidy	-	-	-	
	-	-	-	
<u>Interest Receivable</u>				
Mortgage Interest	(300)	(300)	-	
Investment Income	(10,000)	(10,000)	-	
	(10,300)	(10,300)	-	
<u>Miscellaneous</u>				
Miscellaneous	-	-	-	
Private Alarms	-	-	-	
Ground Rent	(10,000)	(10,000)	-	
	(10,000)	(10,000)	-	
<u>INCOME TO HRA SUMMARY</u>				
	(51,749,867)	(51,919,070)	169,203	

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