

Pecyn Dogfennau Cyhoeddus

Penallta House,
Tredomen Park,
Ystrad Mynach,
Hengoed CF82 7PG

Ty Penallta,
Parc Tredomen,
Ystrad Mynach,
Hengoed CF82 7PG



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Am unrhyw ymholiad yn ymwneud â'r agenda hwn cysylltwch â Jo Thomas
(Rhif Ffôn: 07714600912 Ebost: thomaj8@caerphilly.gov.uk)

Dyddiad: Dydd Mercher, 26 Mawrth 2024

I bwy bynnag a fynno wybod,

Bydd cyfarfod aml-leoliad o'r **Cabinet** yn cael ei gynnal yn yn Nhŷ Penallta a thrwy Microsoft Teams ar **Dydd Mercher, 3ydd Ebrill, 2024** am **1.00 pm**. i ystyried materion a gynhwysir yn yr agenda canlynol. Mae croeso i chi ddefnyddio'r iaith Gymraeg yn y cyfarfod, a dylid rhoi cyfnod rhybudd o 3 diwrnod gwaith os ydych yn dymuno gwneud hynny. Bydd gwasanaeth cyfieithu ar y pryd yn cael ei ddarparu ar gais.

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Yr eiddoch yn gywir,

Christina Harrhy
PRIF WEITHREDWR

A G E N D A

Tudalennau

1 I dderbyn ymddiheuriadau am absenoldeb

A greener place Man gwyrddach

Correspondence may be in any language or format | Gallwch ohebu mewn unrhyw iaith neu fformat



2 Datganiadau o Ddiddordeb.

Atgoffi'r Cynghorwyr a Swyddogion o'u cyfrifoldeb personol i ddatgan unrhyw fuddiannau personol a/neu niweidiol mewn perthynas ag unrhyw eitem o fusnes ar yr agenda hwn yn unol â Deddf Llywodraeth Leol 2000, Cyfansoddiad y Cyngor a'r Cod Ymddygiad ar gyfer Cynghorwyr a Swyddogion.

I gymeradwyo a llofnodi'r cofnodion canlynol:-

3 Cabinet a gynhaliwyd ar 21 Chwefror 2024. 1 - 6

4 Cabinet Arbennig a gynhaliwyd ar 27 Chwefror 2024. 7 - 10

Nodi Rhaglen Gwaith i'r Dyfodol y Cabinet.

5 Blaenraglen Waith y Cabinet. 11 - 16

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6 Cynllun Busnes Cyfrif Refeniw Tai 2024/25. 17 - 30

7 Polisi Adnewyddu ac Addasu Tai yn y Sector Preifat. 31 - 46

8 Rhaglen Band B Cymunedau Dysgu Cynaliadwy – Adroddiad Gwrthwynebiadau Statudol: Ysgol Y Lawnt Ac Ysgol Gynradd Rhymni Uchaf. 47 - 52

9 Cod Trefniadaeth Ysgolion 2018 - Adroddiad Gwrthwynebiadau Statudol: Cynnig I Gau Ysgol Fabanod Cwm Glas. 53 - 58

10 Bwrdd Ôl-16, Un Rhyw a Lleoedd Dros Ben - Argymhellion Pellach i'r Cabinet. 59 - 66

11 Trosglwyddiad Arian a Chymeradwyo Prosiect o Gronfa Ffyniant a Rennir (Spf) Llywodraeth y DU. 67 - 78

12 Ffos Caerffili – Diweddariad Cyllid Wefo. 79 - 84

13 Adnoddau Mwstro Tîm Caerffili – Darpariaeth. 85 - 90

14 Adnewyddu Cerbydau Casglu Sbwriel Pecyn Deuol. 91 - 96

Cylchrediad:

Cynghorwyr

C. Andrews, S. Cook, E. Forehead, N. George, P. Leonard, S. Morgan, C. Morgan, J. Pritchard a E. Stenner,

A Swyddogion Priodol.

SUT FYDDWN YN DEFNYDDIO EICH GWYBODAETH

Bydd yr unigolion hynny sy'n mynychu cyfarfodydd pwyllgor i siarad/roi tystiolaeth yn cael eu henwi yng nghofnodion y cyfarfod hynny, weithiau bydd hyn yn cynnwys eu man gweithio neu fusnes a'r barnau a fynegir. Bydd cofnodion o'r cyfarfod gan gynnwys manylion y siaradwyr ar gael i'r cyhoedd ar wefan y Cyngor ar www.caerffili.gov.uk ac eithrio am drafodaethau sy'n ymwneud a g eitemau cyfrinachol neu eithriedig.

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Am wybodaeth bellach ar sut rydym yn prosesu eich gwybodaeth a'ch hawliau, ewch i'r [Hysbysiad Preifatrwydd Cyfarfodydd Pwyllgor Llawn](#) ar ein gwefan neu cysylltwch â Gwasanaethau Cyfreithiol drwy e-bostio griffd2@caerffili.gov.uk neu ffoniwch 01443 863028.

Gadewir y dudalen hon yn wag yn fwriadol



CABINET

MINUTES OF THE MULTI-LOCATIONAL MEETING HELD AT PENALLTA HOUSE AND VIA MICROSOFT TEAMS ON WEDNESDAY 21ST FEBRUARY 2024 AT 1PM

PRESENT:

Councillor S. Morgan – Chair

Councillors:

J. Pritchard (Cabinet Member for Prosperity, Regeneration and Climate Change), N. George (Cabinet Member for Corporate Services, Property and Highways), P. Leonard (Cabinet Member for Planning and Public Protection), C. Morgan (Cabinet Member for Waste, Leisure and Green Spaces), E. Stenner (Cabinet Member for Finance and Performance), C. Andrews (Cabinet Member for Education and Communities), S. Cook (Cabinet Member for Housing) and E. Forehead (Cabinet Member for Social Care).

Together with:

D. Street (Deputy Chief Executive), R. Edmunds (Corporate Director of Education and Corporate Services), M.S. Williams (Corporate Director of Economy and Environment) and G. Jenkins (Interim Director of Social Services).

Also in Attendance:

R. Tranter (Head of Legal Services and Monitoring Officer), L. Lane (Head of Democratic Services and Deputy Monitoring Officer), M. Williams (Management Surveyor), H. Delonnette (Senior Policy Officer), S. Ellis (Lead for Inclusion and ALN), L. Downey (Acting HR Service Manager), K. Peters (Service Manager – Service Improvement and Partnerships), R. Hartshorn (Head of Public Protection, Community and Leisure Services), A. Lewis (Transformation Project Officer), P. Cooke (Transformation Manager), B. Winstanley (Head of Land and Property Services), C. Adams (Highway Engineering Group Manager) M. Goodger (Principal Engineer), M. Lloyd (Head of Infrastructure), and J. Thomas (Committee Services Officer).

RECORDING AND VOTING ARRANGEMENTS

The Leader reminded those present that the meeting was being live streamed, and a recording would be made available to view via the Council's website, except for discussions involving confidential or exempt items. [Click Here To View](#).

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from C. Harry (Chief Executive) and Steve Harris (Head of Financial Services and S151 Officer).

2. DECLARATIONS OF INTEREST

There were no declarations of interest received.

3. MINUTES – WEDNESDAY 17TH JANUARY 2024

RESOLVED that the minutes of the meeting held on the 17th January 2024 be approved as a correct record.

4. MINUTES – CABINET AS TRUSTEES OF BLACKWOOD MINERS INSTITUTE – WEDNESDAY 17TH JANUARY 2024

RESOLVED that the minutes of the meeting held on the 17th January 2024 be approved as a correct record.

5. CABINET FORWARD WORK PROGRAMME – TO NOTE

Cabinet was provided with the Cabinet Forward Work Programme, which detailed the scheduled reports until 3rd April 2024.

Following consideration and discussion, it was moved and seconded that the Forward Work Programme be noted. By a show of hands this was unanimously agreed.

6. SUPPORT FOR PUPILS UNABLE TO ATTEND SCHOOL (FORMERLY KNOWN AS HOME TUITION)

Consideration was given to the report which provide Cabinet with information regarding the current model of 'home tuition' and sought Cabinet's support for proposals for changes to existing delivery.

Responding to a query, assurance was given that made that tutors allocated to the schools would not be expected to fill in for teachers. Cabinet was also assured that there is a need to support all schools and schools that have not been allocated a tutor will be supported through a financial agreement, which allow them to develop the same approach.

It was noted that the report identifies that tutors are not in favour of working in a school setting and feel that it will not benefit the pupil. The Officer advised there was still work to be done with the tutors and the Unions.

Following concerns raised assurance was given that for those children who, for medical and emotional wellbeing reasons, are unable to attend school, there would still be a provision to receive home tuition.

Cabinet was advised positive feedback has been received from teachers and tutors of two schools that undertook a trail, which involved the schools identify the pupils that require support, rather than the Local Authority.

Following a query raised, Cabinet was advised that several consultations had been undertaken by the head teachers across the schools and they have all recognised that this is an opportunity for them to enhance the offer of learning and enhance their approaches to inclusion and wellbeing. The schools have also been reassured that where appropriate approaches can be changed. For example, pupils in year 11 will continue with their current way of learning to minimise disruption. Cabinet was also advised that the school's overall attendance would not be affected as there are different attendance codes used.

Following consideration and discussion, it was moved and seconded that the recommendation in the report be approved and by way of Microsoft Forms and verbal vote this was unanimously agreed.

RESOLVED for reasons contained within the Officers report the contents of the report be noted and the proposal to implement a revised model of supporting pupils who receive tuition directed by the school in order that they can be supported via the school be endorsed.

7. COMMUNITY BENEFIT CONTRIBUTIONS GUIDANCE- FOR PROJECTS AND DEVELOPMENTS WITH THE POTENTIAL FOR SIGNIFICANT COMMUNITY IMPACT

Consideration was given to the report which sought Cabinet approval for the Community Benefit Contributions Guidance for projects and developments with the potential for significant community impact. Which highlight the role of Caerphilly County Borough Council in working with private sector partners, in partnership with local communities, to secure meaningful and sustainable benefits.

Cabinet noted there are numerous opportunities for renewable energy developments across Caerphilly County Borough.

The Officer referred to the need to add an additional recommendation at 3.2 of the Officers report and assured Cabinet that this recommendation had formed part of the initial consultation on the report. Having taken this into consideration Cabinet moved and seconded the additional recommendation to read: That Cabinet consider and approve the guidance. The aim of the guidance is to establish the Council's stance on standards for developers when delivering Community Benefit Contributions (CBCs) to local communities within the County Borough.

Following a query raised, Cabinet was pleased to note that Caerphilly is one of the first Local Authorities to look at schemes such as this and has already started to share information with other Welsh Local Authorities in the hope that this will become a Pan Wales approach.

Following consideration and discussion, it was moved and seconded that the subject to the additional recommendation at 3.2 that the recommendations in the report be approved and by way of Microsoft Forms this was unanimously agreed.

RESOLVED for reasons contained within the Officers report:

1. The comments made at the Scrutiny Committee be noted.
2. The Community Contributions Benefit Guidance that aims to establish the Councils stance on standards for developers when delivering Community Benefit Contributions (CBCs) to local communities within the County Borough be considered and approved.

8. NANT CYLLA WATERCOURSE EROSION CONTROL WORKS.

Consideration was given to the report which provided cabinet with an update in relation to erosion of the Nant Cylla watercourse, Ystrad Mynach and to request authorisation for a spend of £270k for detailed design of a stabilisation scheme and a £100k contingency fund for temporary stabilisation works should these be required whilst the full scheme is being developed and procured.

Clarification was sought on what the implications would be if Cabinet didn't agree to the work outlined within the report. Cabinet was advised that the proposed works will ease the pressure on the water course, and if this work is not undertaken there is a risk of failure and the

watercourse creating a significant washout and course blockages, which could cause contamination to the river Rhymney.

Further clarification was sought on whether there would be Welsh Government assistance with the funding of the works. The Officer confirmed that there is no WG fund that would be available for this type of work. The usual position of such works would be the legal responsibility of the landowner to maintain their watercourse. However, there is a potential that there could be some funding made available by the NRW.

Attention was drawn to recommendation 3.3 of the report where Cabinet sought further clarification and explanation for this recommendation. The Officer explained that there are three parts of the watercourse that are affected which are highlighted within the report. Parts of the area affected are owned by CCBC. However, there are parts of the bank that were previously owned by CCBC property owners have gained possession. However, if the Council only undertook the works on Council owner land there would be a potential for a piece work solution. Therefore, it is recommended that the Council cover the costs of the repairs. However, the property owners would not be entitled to any compensation for any outbuilding that may be affected or subsequently removed during the works.

Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved and by way of Microsoft Forms this was unanimously agreed.

RESOLVED for reasons contained within the Officers report:

1. The capital funding of circa £270k be made available to the Economy and Environment Directorate for detailed design of the scheme. This is to be funded from uncommitted capital earmarked reserves be agreed.
2. A contingency fund of £100k be made available to the Economy and Environment Directorate for further temporary stabilisation works should these be required prior to implementation of the full scheme. Again, this is to be funded from uncommitted capital earmarked reserves be agreed.
3. No compensation will be offered to property owners / landowners in relation to the removal of structures built close to the top of the banks and / or spanning the watercourse, but that CCBC will commission detailed design and construction works at no cost to the property owners / landowners be agreed.

9. CAERPHILLY STATION FOOTBRIDGE REVIEW.

Consideration was given to the report which asked Cabinet to consider the options available regarding the future provision and alternative proposals of a pedestrian rail crossing at Caerphilly Railway Station.

Cabinet noted that the footbridge was officially closed under a temporary footbridge order on 20th July 2023, which was initially for a period of 6 months. The bridge remains closed in the interest of public safety. Cabinet was advised that a detailed inspection report is being prepared.

Cabinet sought clarification on whether Transport for Wales (TfW) are planning to electrify the existing railway line and if there were plans to carry out this work what would happen to the bridge during the electrification process. The Officer clarified there are proposals by TfW to electrify the line. However, at this time the Authority is not in receipt of those proposals and there is a deadline of July 2024 to make a decision on the future of the bridge.

Further clarification was sought on the distance to Caerphilly town if the bridge was removed and what would the difference be if the replacement bridge was made DA compliant. The Officer

advised that the distance would be 255meters if the bridge was removed and if the bridge were to be replaced with DA compliant bridge with ramps either side the distance would be 578meters.

Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved and by way of Microsoft Forms this was unanimously agreed.

RESOLVED for reasons contained within the Officers report.

1. The contents, options and capital requirements of the report were considered and option 4 be approved as the way forward. Removal of the bridge is the preferred option, as replacement/repair is not a cost-effective solution when alternative routes and proposals are available.
2. The £200,000 funding for the removal is made available from uncommitted capital earmarked reserves be approved.

10. DECARBONISATION ANNUAL REPORT NOVEMBER 2023.

Consideration was given to the report which provided Cabinet with an update on the work undertaken across the Authority to deliver the aims of the Decarbonisation Strategy.

On the 14th June 2023, Cabinet approved 10 recommendations relating to the implementation of the Decarbonisation Strategy and Action Plan. The recommendations included reviewing the Action Plan and preparing an annual progress report.

Cabinet noted that the Action Plan has been reviewed and the number of actions reduced from 122 to 76. Cabinet was provided with an update on the progress of the 76 actions.

Cabinet further noted that Working Groups have been established to drive forward each of the four areas.

Following a query raised, Cabinet was provided with an update on how Housing are making improvements to make accommodation more energy efficient. One of the improvements is replacing windows with UPVC triple glazing.

Cabinet was pleased to note that Caerphilly County Borough are now a bronzed level carbon literate organisation.

Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved and by way of Microsoft Forms and verbal vote this was unanimously agreed.

RESOLVED for reasons contained within the Officers report the progress made to date on the actions set out in the Decarbonisation Annual Report be noted.

11. DEMOLITION OF THE FORMER PONTLLANFRAITH COMPREHENSIVE SCHOOL.

Consideration was given to the report which sought Cabinet approval to partially reinstate some of the original budget to finalise the demolition and site clearance of the former Pontllanfraith Comprehensive school.

Following a query raised, the Officer assured Cabinet the ongoing work at the CVL would not be affected and there would be no impact on the delivery by the extra work at the former Pontllanfraith Comprehensive School.

Cabinet noted that the funding for the extra work would be used from the uncommitted Capital Reserves.

Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved and by way of Microsoft Forms this was unanimously agreed.

RESOLVED for reasons contained in the Officers report the allocation of a further £310,000 to the demolition and site clearance of the former Pontllanfraith Comprehensive School be approved.

12. PUBLIC INTEREST TEST

Members considered the Public Interest Test and concluded that on balance the public interest in maintaining the exemption outweighed the public interests in disclosing the information and it was: -

RESOLVED that in accordance with Section 100(4) of the Local Government Act 1972 the public be excluded from the remainder of the meeting because of the likely disclosure to them of exempt information as defined in paragraph 14 of Schedule 12A of the Local Government Act 1972.

13. PRIVATE WIRE ARRANGMENT BETWEEN BRYN GROUP AND CAERPHILLY COUNTY BOROUGH COUNCIL

Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved and by way of Microsoft Forms and verbal confirmation this was unanimously agreed.

RESOLVED that for reasons contained within the Officers report the recommendations at 3.1 a) to d) be approved.

The meeting closed at 14.14 p.m.

Approved and signed as a correct record subject to any corrections made at the meeting held on 3rd April 2024.



SPECIAL CABINET

MINUTES OF THE MULTI-LOCATIONAL MEETING HELD AT PENALLTA HOUSE AND VIA MICROSOFT TEAMS ON TUESDAY 27TH FEBRUARY 2024 AT 10AM

PRESENT:

Councillor S. Morgan – Chair

Councillors:

J. Pritchard (Cabinet Member for Prosperity, Regeneration and Climate Change), N. George (Cabinet Member for Corporate Services, Property and Highways), P. Leonard (Cabinet Member for Planning and Public Protection), C. Morgan (Cabinet Member for Waste, Leisure and Green Spaces), E. Stenner (Cabinet Member for Finance and Performance), C. Andrews (Cabinet Member for Education and Communities), S. Cook (Cabinet Member for Housing) and E. Forehead (Cabinet Member for Social Care).

Together with:

D. Street (Deputy Chief Executive), R. Edmunds (Corporate Director of Education and Corporate Services), M.S. Williams (Corporate Director of Economy and Environment) and G. Jenkins (Interim Director of Social Services).

Also in Attendance:

R. Tranter (Head of Legal Services and Monitoring Officer), L. Lane (Head of Democratic Services and Deputy Monitoring Officer), S. Harris (Head of Financial Services and Section 151 Officer), L. Sykes (Deputy Head of Financial Services and Section 151 Officer) and J. Thomas (Committee Services Officer).

RECORDING AND VOTING ARRANGEMENTS

The Leader reminded those present that the meeting was being live streamed, and a recording would be made available to view via the Council's website, except for discussions involving confidential or exempt items. [Click Here To View](#).

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from C. Harry (Chief Executive)

2. DECLARATIONS OF INTEREST

There were no declarations of interest received.

3. WHOLE-AUTHORITY REVENUE BUDGET MONITORING REPORT (MONTH 9).

Consideration was given to the report which provided Cabinet with details of projected whole-authority revenue budget expenditure for the 2023/24 financial year.

Cabinet noted that the projected underspend of £4.898m is much lower than reported in recent years and reflects the challenging financial environment the Council is currently facing. It was also noted that the approved 2023/24 revenue budget is underwritten through a one-off contribution from reserves of £15.345m and temporary savings totalling £6.862m.

Cabinet further noted there are a number of areas where overspends are projected and that the more significant of these have been prioritised for review through the Mobilising Team Caerphilly Transformation Programme. These reviews will initially focus on opportunities to contain costs within existing budgets and will then explore on opportunities to make savings wherever possible.

Following consideration, it was moved and seconded that the recommendation in the report be approved and by way of Microsoft Forms and verbal votes this was unanimously agreed.

RESOLVED that for reasons contained within the Officers report the content of the report be noted.

4. UPDATE ON RESERVES.

Consideration was given to the report which presented Cabinet with details of the usable reserves held by the Authority and sought Cabinet approval or endorsement of recommended movements on reserves as appropriate.

Cabinet noted that an update on reserves was presented to the Joint Scrutiny Committee on the 23rd of January 2024, and that since then there have been a number of changes which are outlined in paragraph 5.7 of the report. The most significant change is an additional sum of £835k that Caerphilly CBC will receive in the 2024/25 Final Local Government Financial Settlement as a result of £25m of consequential funding provided to WG by the UK Government. Cabinet noted that this will reduce the planned call on reserves to help balance the 2024/25 budget.

Cabinet was reminded that the 2023/24 revenue budget included a one-off call on reserves of £15.345m and that a further call on reserves of £10.624m is proposed for 2024/25. It was emphasised that whilst this approach provides the much needed breathing space to develop savings proposals under Mobilising Team Caerphilly, it is not a sustainable option in the medium to longer-term.

Following a query raised, the Head of Financial Services & Section 151 Officer advised Cabinet that it was a statutory requirement for the Housing Revenue Fund to be a ring-fenced account, which must be kept separate from General Fund Services.

Cabinet sought clarification on the function of the Empty Homes Team and the Deputy Chief Executive explained that throughout the county borough there are a surplus of vacant properties. The team identify these properties, and work closely with the owners to assist them in repurposing them back into use.

Cabinet sought clarification on what the self-insurance facility is used for. The Head of Financial Services & Section 151 Officer advised that the majority of insurance claims are settled from within the insurance reserve, with only sums above pre-determined excess levels being met by our external insurers. The levels of reserves are reviewed periodically by the council's external Insurance Brokers to ensure that there are sufficient funds to meet potential

liabilities. Following the latest review, there is sufficient capacity for £2m to be released to the General Fund to support the 2024/25 budget.

Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved and by way of Microsoft Forms and verbal vote this was unanimously agreed.

RESOLVED that for reasons contained within the Officers report:

1. The release of the following uncommitted reserves to the General Fund to support the 2024/25 Budget be endorsed: -
 - a. £3.719m from Other Earmarked Service Reserves
 - b. £0.017m from Over/Under Reserves
 - c. £2m from the Insurance Reserve.
2. A proposal to transfer 100% of the Net 2023/24 underspend position, forecast at £4.898m as at December 2023 to the General Fund be endorsed.
3. A proposal to allocate £0.791m from the Education Over/Underspend Reserve to a specific Earmarked Reserve for the 2023/24 Schools Additional Teachers Pay Award be agreed.
4. A proposal to repurpose £0.108m from Private Sector Housing Staff Capacity Reserve to Empty Homes Teams Reserve to increase funding so that the team can be extended for two years be agreed.

5. BUDGET PROPOSALS FOR 2024/25.

Consideration was given to the report which sought Cabinet endorsement of the 2024/25 budget proposals prior to the final determination by Council.

Cabinet noted that the final decision for the Budget Proposals for 2024/25 would be made at full Council on Tuesday 27th February 2024.

Cabinet recognised that the Mobilising Team Caerphilly transformation programme will be a key element in taking forward any changes required to ensure that the Authority is able to address the unprecedented financial challenges that it faces.

Cabinet further recognised that with a 6.9% rise in Council Tax, the Authority would be likely to have the lowest Council Tax level in Wales.

Cabinet was reminded that whilst a balanced budget is presented for the 2024/25 financial year, the situation moving forward remains extremely bleak with the updated Medium-Term Financial Plan indicating a further savings requirement of £45.213m for the two-year period 2025/26 to 2026/27.

Following consideration, it was moved and seconded that the recommendations in the report be approved and by way of Microsoft Forms and verbal vote this was unanimously agreed.

RECOMMENDED to Council that for reasons contained in the Officers report;

1. The revenue budget proposals for 2024/25 of £449.190m as detailed throughout the report and summarised in Appendix 1 be endorsed.

2. The proposed increases in charges for school meals in secondary schools, Meals Direct, and the Hive Restaurant along with the proposed increase in the fee for MOT testing as detailed in paragraph 5.5.5 be endorsed.
3. That 100% of the net projected underspend on the Council's 2023/24 revenue budget will be transferred into General Fund balances as outlined in paragraph 5.7.3 be agreed.
4. The movements on the General Fund in Appendix 4 and the projected balance as at 31 March 2024 of £14.126m be noted.
5. The proposed Capital Programme for the period 2024/25 to 2026/27 as set out in Appendix 5 be endorsed.
6. The proposal to increase Council Tax by 6.9% for the 2024/25 financial year to ensure that a balanced budget is achieved (Council Tax Band D being set at £1,446.37) be supported.
7. The indicative potential savings requirement of £45.213m for the two-year period 2025/26 to 2026/27 be noted.

The meeting closed at 10.25am

Approved and signed as a correct record subject to any corrections made at the meeting held on 3rd April 2024.

Cabinet Forward Work Programme – 20th March 2024

Meeting date:	Report title:	Key issue:	Report author	Cabinet Member:
Special Cabinet 20/03/24 13:00 p.m.	Pontllanfraith Leisure Centre	To advise on the outcome of a public consultation on a proposal for Pontllanfraith Leisure Centre to remain permanently closed, with sporting facilities at the adjacent Centre for Vulnerable Learners being made available for community use outside of school hours upon opening in Spring 2025. To present the views of Housing and Environment Scrutiny Committee. To seek a decision on the future of Pontllanfraith Leisure Centre.	Rob Hartshorn	Cllr Chris Morgan
Special Cabinet 20/03/24 11:00	Consultation outcome - Proposals to implement Council Tax premiums on long-term empty properties and second homes	To consider the implementation of premiums from April 2025.	Sean O'Donnell/Steve Harris	Cllr Eluned Stenner/ Cllr Shayne Cook
Special Cabinet 20/03/24	Local Flood Risk Management Strategy	To provide Cabinet with a statutory update to the Local Flood Risk Management Strategy in accordance with Welsh Government National Strategy.	Mark Goodger/Marcus Lloyd	Cllr Nigel George
Special Cabinet 20/03/24	Trade waste service changes and charging policies	To provide Cabinet with proposals for providing a new Workplace Recycling collection service to comply with new legislation and agree appropriate collection service recharge rates.	Marcus Lloyd/Hayley Jones	Cllr Chris Morgan

Cabinet Forward Work Programme – 20th March 2024

Meeting date:	Report title:	Key issue:	Report author	Cabinet Member:
03/04/2024 13:00 p.m.	HRA Business Plan 2024	To seek Cabinet approval of the Housing Business Plan position in advance of submitting the plan to Welsh Government	Lesley Allen	Cllr Shayne Cook
03/04/2024	Private Sector Housing Renewal Policy	To seek Cabinet approval for a revised Private Sector Housing Renewal Policy, which will detail the key priorities for the service and how they are proposed to be addressed.	Claire Davies/Mark Jennings/ Nick Taylor-Williams	Cllr Shayne Cook
03/04/2024	Sustainable Communities for Learning Band B Proposal – Ysgol Y Lawnt / Upper Rhymney Primary	For Cabinet to consider the Objection Report and approve commencement of the Planning application process and Full Business Case submission to Welsh Government.	Sue Richards/ Andrea West	Cllr Carol Andrews
03/04/2024	Proposal for the closure of Cwm Glas Infants School	For Cabinet to consider the Objection Report and provide a final determination on the proposal to close Cwm Glas Infants School with effect from September 2024.	Sue Richards/ Andrea West	Cllr Carol Andrews
03/04/2024	Post 16, Single Sex and Surplus Places Board - further recommendations to Cabinet	To consider Post 16, Single Sex and Surplus Places Board recommendations	Richard Edmunds/ Keri Cole/ Sue Richards	Cllr Carol Andrews
03/04/2024	Shared Prosperity Fund (SPF) Virement and Project Approval	To update Cabinet on the delivery of the UK Shared Prosperity Fund (SPF); and seek Cabinet approval for 2 proposed funding virements due to their significant value.	Rhian Kyte/ Allan Dallimore/ Paul Hudson	Cllr Eluned Stenner

Cabinet Forward Work Programme – 20th March 2024

Meeting date:	Report title:	Key issue:	Report author	Cabinet Member:
03/04/2024	Caerphilly Ffos Caerffili – WEFO funding update	To update Cabinet on the submission of Ffos Caerffili to WEFO for funding and to outline the requirement for Council core reserves freed up by this process to be reinvested into the Caerphilly Town 2035 programme.	Hamish Munro/Allan Dallimore	Cllr James Pritchard
03/04/2024	Resourcing Mobilising Team Caerphilly – Delivery	To seek Cabinet approval to transfer £897k of uncommitted capital earmarked reserves into the Invest to Save Reserve in order to provide ongoing one-off external support to the Council's Mobilising Team Caerphilly Transformation Programme	Richard Edmunds	Cllr Eluned Stenner
03/04/2024	Refurbishment of Twin Pack Refuse Collection Vehicles (RCV's) for Food and Garden Waste Collection	To seek Cabinet approval and allocation of funding to undertake refurbishment of Twin Pack Refuse Collection Vehicles (RCV's) engaged in food and garden waste collection services.	Marcus Lloyd/ Hayley Jones	Cllr Chris Morgan
01/05/2024 13:00 p.m.	Youth Forum Priorities	To provide the Youth Forum priorities for 2024	Clare Ewings/Paul Warren	Cllr Carol Andrews
01/05/2024	Six month Update on the Corporate Complaints received for the period 1st April to 30th September 2023	For Cabinet to consider the data from 1st April 2023 to 30th September 2023 together with the outcomes and lessons learned.	Lisa Lane/Carl Evans	Cllr Nigel George

Cabinet Forward Work Programme – 20th March 2024

Meeting date:	Report title:	Key issue:	Report author	Cabinet Member:
01/05/2024	Re-purposing of Social Services Earmarked Reserves	For Cabinet Members to consider an alternative use of Social Services earmarked reserves in order to extend a number of fixed term arrangements put in place to alleviate capacity issues across the directorate	Mike Jones	Cllr Elaine Forehead
01/05/2024	Health & Safety Policies: * Corporate Asbestos Management Plan * Corporate Health & Safety Policy * Display Screen Equipment Policy	For Cabinet to consider and approve the updated H&S policies	Lynne Donovan/Emma Townsend	Cllr Nigel George
09/05/2024 (half term) 13:00 p.m.	Local Housing Market Assessment and the Welsh Government Prospectus	To discuss and approve the LHMA and the Prospectus. Welsh Government requires all Local Authorities to undertake a Local Housing Market Assessment and a Prospectus. The documents set out the requirement for housing within the county borough and is utilised to inform the LDP, the allocation of Social Housing Grant and the Council's own Caerphilly Homes development programme.	Nick Taylor-Williams/Jane Roberts-Waite/ Mark Jennings	Cllr Shayne Cook
29/05/2024 (half term)	Gwent Serious Violence Strategy	To seek Members views and Cabinet approval from members for the Gwent Serious Violence Strategy and Needs Assessment.	Natalie Kenny/Rob Hartshorn	Cllr Philippa Leonard

Cabinet Forward Work Programme – 20th March 2024

Meeting date:	Report title:	Key issue:	Report author	Cabinet Member:
29/05/2024 (half term)	Welsh Language Standards Annual Report 2023/24	To inform Cabinet and seek their endorsement of the progress made during the financial year 2023-2024 against four specific areas of Welsh language work, as required under the regulatory framework for implementing the Welsh Language Standards	Anwen Cullinane /Kath Peters	Cllr Eluned Stenner
29/05/2024 (half term)	The federation of the Cwmaber Infants School and Cwmaber Junior School	To seek Cabinet approval to move to formal consultation, in partnership with each Governing Body, for the federation of Cwmaber Infants School and Cwmaber Junior School	Sue Richards / Andrea West	Cllr Carol Andrews
29/05/2024 (half term)	School Inspection Update - Estyn	To update members on recent Estyn school inspections and to offer an analysis of themes for comment and observations.	Keri Cole	Cllr Carol Andrews
29/05/2024 (half term)	Proposed Changes to Caerphilly CBC's Discretionary Rate Relief Policy	To seek Cabinet approval of a proposed change to the Discretionary Rate Relief Policy in relation to rateable value limits.	Glenn Edwards/ Sean O'Donnell	Cllr Eluned Stenner
29/05/2024 (half term)	Exempt Item - Tourism Review: Memorandum of Understanding in respect of Cwmcarn Forest with Natural Resources Wales	This item is subject to a public interest test	Allan Dallimore	Cllr James Pritchard

Cabinet Forward Work Programme – 20th March 2024

Meeting date:	Report title:	Key issue:	Report author	Cabinet Member:
26/06/2024 13:00 p.m.	Sport Caerphilly Disability Sports Camps	To seek approval to replace the current programme of Sport Caerphilly disability sports camps with an offer that is more tailored for the attendees and their changing needs.	Jared Lougher	Cllr Chris Morgan
26/06/2024	Leasing Scheme Wales	To seek Cabinet agreement to adopt the Welsh Government leasing scheme Wales to increase access to the private rented sector	Nick Taylor-Williams	Cllr Shayne Cook



CABINET – 3RD APRIL 2024

SUBJECT: HOUSING REVENUE ACCOUNT BUSINESS PLAN 2024/25

REPORT BY: DEPUTY CHIEF EXECUTIVE

1. PURPOSE OF REPORT

For Cabinet Members to consider and take a view on the Housing Revenue Account (HRA) Business Plan 2024/25. The HRA Business Plan is an annual requirement from Welsh Government (WG) as part of the annual submission of the Major Repairs Allowance (MRA) grant application. The report is due to be considered by the Housing & Regeneration Scrutiny Committee on the 26th March 2024 and as such any comments from this committee are not yet reflected in this report due to the short length of time between the two committee meetings. A verbal update can be given at the Cabinet meeting.

2 SUMMARY

- 2.1 Following the publication by Welsh Government (WG) in its National Housing Strategy, 2001, which enforced all social landlords to meet the Welsh Housing Quality Standard (WHQS) on all its tenanted stock, WG introduced in 2002 a requirement for all Welsh authorities to develop and produce a Housing Business Plan, which would be scrutinised by WG on an annual basis. The Housing White Paper published in May 2012 reaffirmed the WG commitment to the WHQS and set the revised target for all social landlords to meet it by 31st December 2020, which was extended to 31st December 2021 due to the impact of Covid-19. Caerphilly Homes achieved full compliance on all its housing stock by the deadline.
- 2.2 The Business Plan is a long-term 30-year plan for managing an organisation's assets and financing the necessary investments. It is a key element in ensuring the effective long-term management and maintenance of the Council's housing stock. It is essentially a financial forecast reliant on key assumptions which identifies the resources and funding required to meet the WHQS and maintain it thereafter. In addition, more recently WG have requested a business plan narrative to accompany the financial business plan, and this is also a requisite for the annual application of the MRA funding. The Business Plan narrative will be available on the Council's Website once submitted to Welsh Government.
- 2.3 Now that all the Local Housing Authorities (LHA's) have met the WHQS, there is a requirement to continually invest in assets and communities so that LHA's can maintain their properties to the standard whilst incorporating new challenges. There was an independent summative evaluation of WHQS in June 2021 and following a period of consultation during the Summer 2022, WG launched the new standard "WHQS 2023" in October 2023. The new standard incorporates the WG decarbonisation agenda and intends to effectively and efficiently upgrade social housing, in ways to reduce carbon emissions, and energy bills for tenants. It demands a "Fabric first" approach, setting a minimum thermal performance standard, plus an assessment of overheating risk – which as the planet warms, and more extreme weather events continue to occur, will be essential. The standard also intends to banish fossil fuelled heating and hot water. One of the biggest changes in the new standard will be around affordable warmth and decarbonisation, and WG are considering how they can

support delivery alongside a new Optimised Retrofit Programme (ORP). In the 2024/25 Business Plan, however, WG acknowledge that LHAs will not have firm decarbonisation targets or measures to work with, and therefore do not expect comprehensive costed models for decarbonisation in this year's plan. Until the new WHQS 2023 has been adopted, the existing WHQS is extant and is the minimum that must be maintained. Therefore, borrowing that may be anticipated to meet the new standard is not included in this Business Plan.

- 2.4 Members may recall earlier reports regarding the HRA Business Plan as part of the ballot process together with commissioning stock condition surveys and determining borrowing levels. The borrowing level for WHQS was initially agreed by Council at £61m in 2011 and was subsequently revised as the WHQS programme progressed. In 2014, the borrowing was revised to £55m, and in 2019, the borrowing profile was amended to £75m to include funding for the first draft of our ambitious new build programme. Council agreed in July 2022 to increase the borrowing level further to £90m as the new build programme started to be implemented, and a further increase to £100m was approved in May 2023 due in part to higher than anticipated inflation that affected the whole service, including the new build programme. Of this £100m, £40.9m has been taken up for the WHQS programme leaving £59.1m available initially towards increasing housing supply. Further development programmes are likely to require additional borrowing, together with any further potential impacts of unprecedented inflation increases.
- 2.5 As we have now achieved the target of meeting WHQS to all our eligible stock, it is thought an opportune time to report the HRA Business Plan annually to members going forward as we progress onto developing our own social housing stock. This has become more important as we have experienced such volatility within the market in terms of material costs, supply and labour resources as a result of the Covid-19 pandemic and Brexit, together with unprecedented inflation rates, which could impact significantly on our new build commitments and the ambitious decarbonisation agenda that is ahead of us.
- 2.6 Members will recall the Housing Revenue Account Charges 2024/25 report that was presented to Housing & Regeneration Scrutiny Committee on the 2^{1st} November 2023 and Cabinet on the 13th December where 6.7% rent increase was agreed for 2024/25. This report analysed some costing scenarios against the 2023/24 Housing Business Plan that had materialised since the plan was submitted to WG in March 2023. This included an assumed rent of 4%, the higher than anticipated pay award and the continuing impact on the increases for construction and material costs, which had been forecasted to reduce earlier. This evidenced, that with a lower than inflation rent increase of 4%, the business plan was not sustainable, therefore the rent increase was agreed at 6.7%, being the maximum allowed within the Welsh Governments Rent Policy.

3. RECOMMENDATIONS

- 3.1 That Cabinet considers and approves the 2024/25 HRA Business Plan and its submission to Welsh Government.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 The HRA Business Plan has to be submitted annually to Welsh Government as part of the Major Repair Allowance (MRA) funding grant submission. Failure to submit a viable Business Plan as part of the application would be interpreted as failure to comply with the MRA grant criteria, and the grant is likely to be withdrawn.
- 4.2 The Housing Business Plan relies on key assumptions to remain viable and in recent years has become increasingly volatile due to the Covid-19 pandemic and Brexit. This has been compounded more recently with the extraordinary increases in inflation. It is therefore prudent that members are formally updated on the financial position of the HRA investment

programme as part of the annual grant submission to Welsh Government and to be kept up to date on the performance of the HRA in relation to other new priorities to be delivered from the HRA.

5. THE REPORT

- 5.1 The Major Repairs Allowance (MRA) is a capital grant for HRA assets to support Local Authorities to meet and maintain the WHQS. It cannot be used to repay debt, support borrowing, fund demolition costs, fund the day-to-day maintenance of properties, fund any properties acquired after April 2015, or for any properties held outside of the HRA.
- 5.2 LHA's must submit an application to WG each year for the MRA. The value of MRA for Caerphilly Homes is in the region of £7.3m. The deadline for the submission is 31st March 2024 and WG request the following documents to be included with the application:-
- An application form
 - A full 30 year financial Business Plan
 - Business Plan financial data summary
 - New Build spreadsheet
 - Business Plan narrative.
- 5.3 The HRA Business Plan is subject to detailed scrutiny by WG to ensure it is acceptable which means it must demonstrate:-
1. Maintenance of the WHQS
 2. The HRA does not show a debit balance
 3. Through stress testing the impact of positive and negative changes to key assumptions has been considered
 4. An analysis of items included in the HRA certified to show it is in accordance with relevant legislation.
- 5.4 A Local Authority must inform WG by 31st March each year if it is unable to submit an acceptable Business Plan. The Authority will then be required to work with the support offered by WG to develop an acceptable Business Plan. Failure to do so will be treated as failure to comply with the MRA grant criteria and the grant is likely to be withdrawn.
- 5.5 Business Plans are owned by local authorities and are not prescriptive by WG. However, Caerphilly Homes uses a model adopted by Housing Finance Specialists (HFS) Ltd which has been sanctioned by WG. Most of the retaining Local Housing Authorities use this same model. WG also request a summary of the business plan as part of the MRA application, which is in a standard format to allow for ease of comparison against the minority of Local Housing Authorities who do not use the HFS model.
- 5.6 Section 76 of the Local Government and Housing Act 1989 requires that the Housing Revenue Account (HRA) cannot be set into a deficit. The Housing Business Plan is a working document and is constantly updated to reflect any changes in its original assumptions to ensure the HRA remains viable.
- 5.7 Once the HRA budget is set, this is added to year 1 of the 30-year Housing Business Plan, combined with the capital projections and a number of key assumptions. The plan is tested for viability in terms of its operating (revenue) account, level of reserves, capital account and its level of borrowing. Further assumptions are then made to project this position for 30 years.
- 5.8 Key assumptions in the plan are
- Inflation rates
 - Interest rates/Financing Costs

- Rent increases or decreases
- Level of bad debts and voids
- Stock count
- Pay awards
- Financing costs

5.9 WG also require a number of sensitivity tests against the base plan which models different stresses around key risks of the plan over the next 10 years. Anything beyond 10 years has been acknowledged by WG as too difficult to provide accurate or meaningful analysis. The sensitivities are not prescriptive but LHA's are expected to consider global and local challenges and how this will impact on the HRA remaining viable, if the WHQS can still be maintained, and if borrowing remains affordable.

5.10 A template is also required that captures LHA's development and acquisition plans.

5.11 The HRA Business Plan for 2024/25 has made the following assumptions. Note that this shows the first 5 years which are more realistic than a 30-year period. However, the appendices attached will show the impact these assumptions make over a 30-year period.

Inflation Rates

5.12 Every year, as part of the Business Planning Guidance, WG have advised LHA's to use 2% as a typical inflation rate based on the Retail Price Index (RPI). In the past few years however, this has not been included in the guidance and WG have advised they are no longer prescriptive on the assumptions in the Business Plans but now request that they are clearly explained and justified. This is probably as a result of the volatile increase in inflation experienced nationally. This time last year The Bank of England forecast that from mid-2023 inflation will fall sharply, perhaps below their 2% target, and expect to level close to the 2% target by 2025/26. The Bank of England has also steadily increased interest rates to attempt to bring inflation down. However, Inflation did fall but not to the level anticipated, and RPI rates mid 2023 (June) were still at 10.7%. They have continued to fall but are still above the 2% target. The latest RPI rate as at January 2024 is 4.9%.

5.13 The inflation rates for the Business Plan tend to be in line with inflation rates used for the Council's Draft Budget Proposals for 2024/25. However, for the reasons mentioned above, general inflation has been factored higher into the Business Plan due to the volatility of past predictions. Inflation does return to the 2% target in year 5.

5.14 General Inflation for the Business Plan has been forecasted as follows:-

2025/26	4%
2026/27	3%
2027/28	3%
2028/29	3%
2029/30	2%

5.15 In addition to the above, an additional increase needs to be considered in respect of building materials which will affect the cost of our Planned programme, Response Repairs, and New Build programme. The increased global demand for construction combined with the complex impacts of the pandemic and Brexit, resulted in unprecedented shortage, delays and increased prices for materials and labour across the economy. Whilst the impact is hard to predict because it affects different material types, the industry shows that building material prices are falling in key products with a 2.3% reduction from November 2022 to November 2023, but output, especially new homes, saw shortfalls mainly due to increased interest rates and declining product availability. Bricks and blocks continue to see shortages and expect to continue into 2024. The Office of National Statistics (ONS) reported 25% of construction businesses in the UK are experiencing skilled labour shortages, and the Federation of Master Builders, reported difficulties in hiring skilled bricklayers and carpenters, which is a factor in

rising costs of construction and wage increases. However, due to the fact that RPI within this plan is above current predictions to allow for this type of volatility, a further increase of 1% has been applied just for this element within the Plan. Further testing for higher increases is factored into the sensitivity analysis on 5.40 below.

Interest Rates/Financing Costs

- 5.16 The debt profile for the authority includes a forecast for interest rates which are calculated by accounting for all estimated interest on the loan types the authority holds in any one year and dividing that into the total debt to arrive at a consolidated average interest rate each year. Where internal borrowing has taken place, the rate is adjusted accordingly. Interest rates will change depending on the debt profile and are updated regularly throughout the year. The interest rates within the Business Plan are currently forecasted to be as below, although officers are currently exploring different HRA investment models which may mean a move from the current approach.

2024/25	4.51%
2025/26	4.29%
2026/27	4.02%
2027/28	3.99%
2028/29	3.90%

Rent Increase

- 5.17 The WG rent policy is determined every 5 years. We are currently under the 2020/2021 to 2024/2025 five-year rent policy which was set at CPI plus 1% (plus a further £2 to align rents if applicable). The Welsh Ministers can determine the appropriate change to the rent levels in any given year if CPI falls outside of the range 0% and 3%. Due to the unprecedented CPI rate in September 2022 of 10.1%, the Minister took the decision to override the policy and restrict the rent increase for social landlords to 6.5% in 2023/24 and subsequently 6.7% in 2024/25.
- 5.18 Members agreed to increase the 2024/25 rent by 6.7%. This has been factored into the 2024/25 estimates and year 1 of the Business Plan. For the following years, the CPI rates have been forecasted to be within the 0% and 3% protection threshold, therefore the assumption is that these years will attract the CPI plus 1%. CPI has typically been about 1% lower than RPI, but when the 2% is reached the plan assumes both RPI and CPI are the same, as the government intends to replace RPI with CPIH (which is the Consumer Price Index plus owner-occupiers housing costs) in 2030. CPI and CPIH rates have been very similar in recent months.
- 5.19 It is also worth noting that 2024/25 is the end of the current 5 year rent policy, so there could be a review from the Welsh Minister as to whether the policy is fit for purpose, meaning the current policy may not exist going forward and rent levels could change. The plan includes the following rent increases:

2024/25	6.7% as agreed by members
2025/26	3% plus 1% = 4%
2026/27	2% plus 1% = 3%
2027/28	2% plus 1% = 3%
2028/29	2% plus 1% = 3%
2029/30	2% plus 1% = 3%

- 5.20 If predicted correctly, this will be the maximum rent increase allowed under the rent policy and LHA's must also evidence affordability. Members recently agreed that the authority could review its rent policy to consider including an appropriate affordability model called the Joseph Rowntree Foundation (JRF) model. When setting the 2024/25 rent the JRF model evidenced that Caerphilly Homes rents are a favourable comparison with the exception of 1 bed flats

which are 37p per week above the threshold. Other indications such as the All-Wales statistics also confirm Caerphilly Homes rents are one of the lowest of the LHAs at about 5.2% lower than the Wales average, yet earnings within the area (based on 2022 data) are some 5% higher than the All-Wales average. According to Data Stat Wales, Caerphilly Homes is ranked the 3rd lowest Local Authority in Wales in terms of its weekly rent. As part of the sensitivity testing required by WG for the MRA submission, we will include scenarios for lower rents than above to test the viability of the HRA is maintained with additional borrowing. (See 5.38 & 5.39 below on sensitivity testing).

- 5.21 For future years (from 2026/27 onwards) within the plan, rent increases have assumed to be 3% but these will be reviewed as inflation hopefully stabilises. We will also need to consider the impact of a new rent policy, and also how the JRF affordability model impacts on our rent structure. WG have yet to confirm funding towards the new WHQS 2023 standard which could also impact on future rent setting.

Level of bad debts and voids

- 5.22 This figure is combined in the Business Plan. In previous years, the average void loss was pretty static at just under 2% and arrears at around 2.5%. In recent years this has increased, particularly at the start of the pandemic when tenants were unable to pay their rent and landlords were unable to relet empty properties. The latest position shows voids at around 3.2% and current arrears increasing at around 6.8%. Whilst the void position is expected to reduce slightly (as this includes sheltered scheme work that are coming to the end of their remodelling programme where tenants had to be decanted), it is clear that arrears are steadily increasing with the added impact of the Cost of Living. Voids are factored into the plan at 3%. In terms of arrears, Caerphilly Homes is in the top quartile when compared to the other 10 LHAs. However, members will be aware of the intense tenancy support that has been offered to our tenants since the pandemic, with the focus on helping tenants to sustain their tenancies rather than evict them. This will inevitably result in an increase in arrears, with further increases expected due to the pending managed migration roll out from the Department of Work and Pensions (DWP) of Universal Credit to a wider working age claimant base. This will see claimants currently on Child Tax Credits, Working Tax Credits, Housing Benefits, and Income Support move to Universal Credit by the end of 2025. These claimants currently have their benefits paid directly to their rent account. Under Universal Credit their entitlement will be paid direct to them. As part of the rent increase announcement, The Minister for Housing and Local Government instructed all social landlords to strengthen their approach to minimising all evictions, and not to evict into homelessness, a process we had already embedded within Caerphilly Homes, but with an obvious impact on arrears levels.

- 5.23 The actual input needed for the plan to address the arrears is the provision for bad debt which is charged to the HRA each year. Currently there is about 4% cover within the HRA balance sheet for bad debt provision. The Quarter 3 position shows the bad debt provision is likely to increase by about 0.5% by year end with a projection of a 0.8% increase in 2025/26. The provision has been forecasted to increase further from 2025/26 onwards to 1%, in line with the DWP managed migration. This assumption is clearly volatile and is therefore included in the sensitivity testing shown in 5.41.

Stock Count

- 5.24 The estimated stock count for 1st April 2024 is 10,647.
- 5.25 The plan would normally make an assumption of any council house sales that would reduce the level of stock, until the Right To Buy (RTB) process ended in Wales in January 2019. Therefore, we do not anticipate any further RTB sales in the plan. However, we are now underway with our ambitious new build programme and have also acquired stock via a buy back process which assists us in meeting the increasing housing supply agenda from WG.
- 5.26 The increase in stock is detailed in 5.29 below and has been assumed based on the most

recent Programme Delivery Plan (PDP) for affordable housing which drives the Social Housing Grant (SHG) programme, together with other schemes identified as part of the LDP process where areas have been identified for suitable development upon further investigation and viability checks

- 5.27 The level of SHG funding included in the plan is derived from appraisal assumptions that each scheme within the PDP will attract a certain level of grant.

Pay Awards

- 5.28 The assumptions factored into the Councils 2024/25 Draft Budget Proposals report (Council 27/2/24) have been considered against the HRA Business Plan. The forecasted increases in terms of Pay Award and Employers Pension Contributions from 2024/25 to 2026/27 have been applied.

New Build Proposals and Grants

- 5.29 The current proposals allow for 528 units (social rented and blended tenure schemes) over the period 2024/25 to 2028/29 at a cost of some £163m. To date 31 properties have been successfully built and brought into Caerphilly Homes stock portfolio. A further 46 properties have also been acquired through our acquisition (buy back) programme, therefore housing supply for Caerphilly Homes has increased by 77 since 2019/20. Furthermore, Caerphilly Homes has recently introduced 2 of its first Low Cost Home Ownership (LCHO) properties which are currently being marketed. Funding assumptions for the New Build/Increasing Housing Supply programme include the Social Housing Grant (SHG) awarded by WG, and the Transitional Accommodation Capital Programme (TACP) Grant, together with expected private market sales for the units that will not be classed as affordable housing when completed. It is worth noting that the 2021/22 Business Plan allowed for 230 units, increasing to 405 in the 2022/23 Business Plan, and to 432 in the 2023/24 Business Plan, so there is clearly momentum in terms of increasing housing supply.
- 5.30 The value of the HRA in 2024/25 with the rent increase of 6.7% is some £60m. The cost of managing and maintaining the service is essentially funded from this, and these costs are entered into the plan which includes a £19.6m commitment towards the capital programme. The capital programme is £62.8m and this includes £21.4m to maintain the WHQS programme, £19.9m for increasing housing supply and £21.5m for adaptations, large scale void work, and one-off committed projects. Borrowing is not expected to be required in 2024/25 as funding will be taken from HRA reserves which currently stands at £22.5m. There is also a level of funding assumed from the Major Repairs Allowance (MRA), together with grants from WG, and in year revenue contributions. It is however worth noting that the current new build proposals can change quickly as more schemes are identified and some existing proposals may not come to fruition. Also, as experienced this financial year, issues with resources have impacted on the ability to progress with the WHQS maintenance programme. Variances to the Housing Revenue and Capital Account are regularly monitored and reported to the Housing & Regeneration Scrutiny Committee throughout the year.
- 5.31 The assumptions shown above are run through the plan over the 30 years and this typically results in a shortfall that would require some level of external borrowing. The base plan has a shortfall of £50.1m over the next 2 years and this requires a borrowing commitment of some £51.3m in 2025/26. The total borrowing commitment up to 2025/26, when factoring in the amount already borrowed for the WHQS programme (£40.9m) is within the current borrowing cap approved by Council. Total borrowing would currently stand at some £92.2m which would be £7.8m under the £100m agreed level. However, it is important to note that the initial level agreed was always expected to change as we progressed with the new build programme. The Cost of Living and its impact on inflation also needs to be considered which has not only affected the new build programme, but also the ability to maintain current services. Further challenges such as new legislation demands including a potential new rent policy will also impact the plan. It is also worth noting that there may be other funding

streams available, as schemes are investigated further, as well as reviewing investment models, which could reduce costs, thus reducing the borrowing requirement. Officers recommend the borrowing level be maintained at £100m at this stage and review to coincide with the introduction of the WHQS 2023 requirements which includes the completion of stock condition surveys (March 2025) and Targeted Energy Pathways (March 2027). Officers are also awaiting consultation on the new rent policy due to be implemented for 2025/26.

- 5.32 To date the HRA has borrowed £40.9m towards achieving WHQS and further borrowing was committed principally towards increasing our housing supply, however we also need to factor in the increased costs to our existing stock as a result of major changes to government legislation with the Renting Homes Wales Act and gearing up to the new WHQS 2023 standard, as well as the introduction of the Optimised Retrofit Programme, increase works to void properties, and the extension of the successful acquisition programme. The maintenance of the WHQS programme is currently funded from our existing HRA resources and MRA grant from WG, but it is clear from this plan that to sustain this level of investment to our existing stock will require a significant amount of borrowing year on year. The plan therefore shows that a significant level of borrowing is required over the 30 years to sustain its current levels. This plan, however, is a transitional plan that in reality only shows assurances over the next 2 years. Until we get clarity on the WHQS 2023 position (including confirmation of funding) and what the new rent policy will look like, anything beyond 2 years in this plan is circumstantial and is expected to change.
- 5.33 The introduction of the new WHQS 2023 and in particular part three on decarbonisation and affordable warmth, is a factor but not known to its full extent and therefore has not been reflected in this year's business plan. Welsh Government are not expecting comprehensive costed models for decarbonisation in this year's plan. An increase in resources for structural changes required to meet the future challenges and changes to the business have also been factored in to support the delivery of the outputs of the business plan.
- 5.34 It has been acknowledged that as we progress further with new build aspirations and in time once our targeted energy pathways and stock condition analysis is completed, that the borrowing capacity would need to be reviewed but not for the next two years.
- 5.35 The Housing Business Plan for 2024/25 confirms that the HRA remains viable with the current borrowing requirement over the next two years, as it demonstrates a surplus in the operating account (see Appendix A) and the capital account is fully financed (see Appendix B) Current projections are that the borrowing requirement can remain around £100m up to and including 2025/26. The cap is therefore not required to be increased for 2024/25 as the HRA will be utilising the majority of its revenue balances. Cost inflation and rent changes will dictate if the cap needs to be increased for 2025/26, or reprofiled to 2026/27.
- 5.36 It is worth noting at this stage, that when decarbonisation costs for part three of WHQS23 are included and in the absence of any certain funding from Welsh Government, the costs are not sustainable going forward and without efficiency measures or additional funding, the HRA will become unviable. This will impact on the borrowing requirements going forward.

Sensitivity Analysis

- 5.37 A number of sensitivities have also been tested against the base plan which include the following (*all must demonstrate HRA remains in surplus. WHQS still maintained and borrowing affordable)
- 5.38 ***S1 - A decrease in rent levels to CPI only (3%) in 2025/26***

DESCRIPTION: if CPI falls below 0% or higher than 3% then the policy would revert to CPI only. Although forecasts suggest CPI will be within this threshold, the market is still quite volatile so a variation in rent levels needs to be tested. Year 2 of the Housing Business Plan assumes 4% (CPI + 1%). The sensitivity reduces this to 3% (CPI only)

IMPACT: An increase in the shortfall of some £2.4m up to year 5 compared to the base plan with a further borrowing requirement of £2.6m.

MITIGATION: Cannot reduce the New Build Programme as there are continuations of the previous year's schemes, although some newer schemes could be reviewed or reprofiled. The WHQS maintenance programme could be reduced but this would mean the timescales for properties maintaining their lifecycles would not be met. Additional borrowing would fund the shortfall and the plan remains viable over the 5 years. The borrowing cap is not breached over the next 2 years.

5.39 ***S2 - A decrease in rent levels to 2% in 2025/26***

DESCRIPTION: if CPI falls to 1% then applying the policy means a maximum of 2% rent increase in year

IMPACT: An increase in the shortfall of some £4.8m up to year 5 compared to the base plan with a further borrowing requirement of £5.4m.

MITIGATION: As 5.38

5.40 ***S3 - An increase of material costs to 5% in year 1***

DESCRIPTION: The volatility of the construction sector due to the pandemic, Brexit and the Cost of Living has seen unprecedented increases in material costs. The base plan allowed some flexibility as explained earlier in the report, but due to the volatility a further sensitivity is tested with a 5% increase. This is added to the Response budget and also the Capital programmes.

IMPACT: An increase in the shortfall of some £3.8m up to year 5 compared to the base plan with a further borrowing requirement of £4.8m

MITIGATION: As 5.38

5.41 ***S4 - An increase in bad debt provision by 2% in years 2 & 3***

DESCRIPTION: The base plan includes an increase in years 2 & 3 to allow for the DWP migration at the end of 2025. Rent arrears are higher for those on Universal Credit than those who have yet to transfer, so the plan should be tested for a further increase of 2% in 2025/6 and 2026/7.

IMPACT: An increase in the shortfall of some £2.6m up to year 5, compared to the plan with a further borrowing requirement of £3m

MITIGATION: As 5.38

5.42 ***S5 – Combination of S1 & S3 – Reduce rent to CPI only in 2025/26 and increase material costs to 5% in year 1***

DESCRIPTION: Sensitivity testing needs to include a combination of potential issues as in reality more than one can arise at the same time. Therefore, this tests the possibility of rent reducing to 3% in year 2 and materials increasing to 5% in year 1.

IMPACT: An increase in the shortfall of some £6.2m up to year 5, compared to the base plan with a further borrowing requirement of £7.5m

MITIGATION: As 5.38

5.43 All the sensitivities tested prove how changes in one area of the Business Plan can affect the whole outcome, and that the Business Plan is reliant on a number of key assumptions that could change quickly and impact on our service delivery. However, the base plan is set using current knowledge within the service and at this point evidence it is viable although large borrowing requirements are necessary year on year. The Business plan will remain within the current borrowing cap for the next 2 years.

6. ASSUMPTIONS

6.1 Assumptions are prevalent within the Housing Business Plan and are necessary to create a 30-year projection as requested by Welsh Government. Assumptions are included on key drivers such as (i) Interest rates (ii) Inflation (iii) Rental Increases (iv) Staffing levels (v) stock movement (vi) capital programme expenditure (vi) level of rent arrears/bad debts, and (vii) level of voids and are taken from projections, local knowledge and Welsh Government guidance. The key assumptions are detailed in this report, and the assumptions drive the borrowing requirements.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

7.1 An Integrated Impact Assessment was carried out as part of the HRA rent charges 2024/25 report which fundamentally drives the Housing Business Plan, therefore a further IIA is not necessary.

8. FINANCIAL IMPLICATIONS

8.1 This report deals with the financial implications.

9. PERSONNEL IMPLICATIONS

9.1 Any personnel implications arising from the HRA programmes have been accounted for within the Business Plan.

10. CONSULTATIONS

10.1 All consultation responses have been reflected in this report.

10.2 The Housing and Environment Scrutiny committee are due to meet to discuss this report on the 26th March 2024. As such, any comments arising from the scrutiny meeting are unfortunately unable to be reflected in this report due to the timeline of meeting the committee deadlines. Scrutiny responses will be updated verbally at Cabinet.

11. STATUTORY POWER

11.1 Local Government Act 1972

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Consultees:
Cllr Sean Morgan - Leader of Council
Cllr Shayne Cook - Cabinet Member for Housing

Cllr A Whitcombe	- Chair Housing and Environment Scrutiny Committee
Cllr Shane Williams	- Vice Chair Housing and Environment Scrutiny Committee
Dave Street	- Deputy Chief Executive
Richard (Ed) Edmunds	- Corporate Director for Education and Corporate Services
Mark S Williams	- Corporate Director for Economy and Environment
Gareth Jenkins	- Interim Director for Social Services
Rob Tranter	- Head of Legal Services and Monitoring Officer
Nick Taylor-Williams	- Head of Housing
Stephen R Harris	- Head of Financial Services and S151 Officer
Leanne Sykes	- Deputy Head of Financial Services and S151 Officer
Fiona Wilkins	- Housing Services Manager
Jane Roberts-Waite	- Strategy and Co-ordination Manager
Catherine Edwards	- Head of Asset Maintenance and Repairs
Jason Fellows	- Housing Repair Operations Manager
Michael Williams	- Planned Asset Maintenance Manager
Kerry Denman	- Housing Solutions Manager
Rhiann Williams	- Capital and Treasury Accountant

Appendices

- Appendix A – HRA Business Plan (Capital)
- Appendix B – HRA Business Plan (Revenue)

Caerphilly County Borough Council

Business Plan Assumptions

2024/2025

Major Repairs and Improvements Financing

Year	Year	Expenditure					Financing						Check Total
		Catch up Repairs	Planned Maint	Improvements	Other	Total Expenditure	Borrowing	RTB Receipts	Other	Repairs Account	RCCO	Total Financing	
		£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	
1	2024.25	0	46,419	0	16,365	62,784	0	0	24,293	0	38,491	62,784	0
2	2025.26	0	32,148	0	83,820	115,968	51,300	0	46,472	0	18,196	115,968	0
3	2026.27	0	41,326	0	44,573	85,899	26,300	0	43,952	0	15,646	85,899	0
4	2027.28	0	40,474	0	20,159	60,633	24,300	0	19,791	0	16,542	60,633	0
5	2028.29	0	41,597	0	10,343	51,940	21,500	0	13,496	0	16,944	51,940	0
6	2029.30	0	42,429	0	0	42,429	17,500	0	7,366	0	17,563	42,429	0
7	2030.31	0	41,923	0	0	41,923	14,900	0	7,366	0	19,657	41,923	0
8	2031.32	0	42,498	0	0	42,498	16,100	0	7,366	0	19,032	42,498	0
9	2032.33	0	43,348	0	0	43,348	15,900	0	7,366	0	20,082	43,348	0
10	2033.34	0	44,215	0	0	44,215	15,900	0	7,366	0	20,949	44,215	0
11	2034.35	0	48,075	0	0	48,075	18,700	0	7,366	0	22,009	48,075	0
12	2035.36	0	49,036	0	0	49,036	18,700	0	7,366	0	22,970	49,036	0
13	2036.37	0	50,017	0	0	50,017	18,700	0	7,366	0	23,951	50,017	0
14	2037.38	0	51,017	0	0	51,017	18,700	0	7,366	0	24,951	51,017	0
15	2038.39	0	52,038	0	0	52,038	18,700	0	7,366	0	25,972	52,038	0
16	2039.40	0	48,955	0	0	48,955	13,500	0	7,366	0	28,089	48,955	0
17	2040.41	0	49,934	0	0	49,934	13,500	0	7,366	0	29,069	49,934	0
18	2041.42	0	50,933	0	0	50,933	13,500	0	7,366	0	30,067	50,933	0
19	2042.43	0	51,952	0	0	51,952	13,500	0	7,366	0	31,086	51,952	0
20	2043.44	0	52,991	0	0	52,991	13,500	0	7,366	0	32,125	52,991	0
21	2044.45	0	50,152	0	0	50,152	4,100	0	7,366	0	38,686	50,152	0
22	2045.46	0	51,155	0	0	51,155	4,100	0	7,366	0	39,689	51,155	0
23	2046.47	0	52,178	0	0	52,178	4,100	0	7,366	0	40,712	52,178	0
24	2047.48	0	53,222	0	0	53,222	4,100	0	7,366	0	41,756	53,222	0
25	2048.49	0	54,286	0	0	54,286	4,100	0	7,366	0	42,820	54,286	0
26	2049.50	0	55,658	0	0	55,658	0	0	7,366	0	48,292	55,658	0
27	2050.51	0	56,771	0	0	56,771	0	0	7,366	0	49,405	56,771	0
28	#N/A	0	57,906	0	0	57,906	0	0	7,366	0	50,540	57,906	0
29	#N/A	0	59,064	0	0	59,064	0	0	7,366	0	51,698	59,064	0
30	#N/A	0	60,246	0	0	60,246	0	0	7,366	0	52,880	60,246	0

**Caerphilly County Borough Council
Business Plan Assumptions 2024/2025
Operating Account**

Year	Year	Income					Expenditure										Net Operating (Expenditure)	RCCO	Depreciation adjustment	Surplus (Deficit) for the Year	Surplus (Deficit) b/fwd	Interest	Surplus (Deficit) c/fwd
		Net rent Income	Other income	Misc Income	HRA Subsidy Receivable	Total Income	Managt.	Depreciation	Maint.	Contribution to Repairs Account	Debt Charges	Other Revenue spend	HRA Cost of Rent Rebates	Misc expenses	HRA Subsidy Payable	Total expenses							
		£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000							
1	2024.25	58,361	1,449	3	0	59,813	(20,625)	0	(12,928)	0	(8,350)	0	0	(739)	0	(42,641)	17,172	(38,491)	0	(21,319)	24,449	138	3,267
2	2025.26	60,618	346	3	0	60,967	(21,420)	0	(13,470)	0	(9,007)	0	0	(769)	0	(44,665)	16,302	(18,196)	0	(1,894)	3,267	23	1,396
3	2026.27	63,114	355	3	0	63,472	(21,905)	0	(14,054)	0	(11,018)	0	0	(792)	0	(47,769)	15,703	(15,646)	0	57	1,396	14	1,468
4	2027.28	65,951	364	3	0	66,318	(21,912)	0	(14,732)	0	(12,280)	0	0	(815)	0	(49,739)	16,579	(16,542)	0	37	1,468	15	1,519
5	2028.29	68,583	374	3	0	68,959	(22,614)	0	(15,320)	0	(13,224)	0	0	(840)	0	(51,997)	16,962	(16,944)	0	18	1,519	15	1,552
6	2029.30	70,932	380	3	0	71,315	(23,087)	0	(15,696)	0	(14,059)	0	0	(857)	0	(53,698)	17,616	(17,563)	0	53	1,552	16	1,621
7	2030.31	73,144	1,692	3	0	74,839	(23,556)	0	(16,033)	0	(14,701)	0	0	(874)	0	(55,163)	19,676	(19,657)	0	19	1,621	16	1,657
8	2031.32	75,318	393	3	0	75,714	(24,027)	0	(16,353)	0	(15,355)	0	0	(891)	0	(56,626)	19,088	(19,032)	0	55	1,657	17	1,728
9	2032.33	77,557	399	3	0	77,959	(24,507)	0	(16,680)	0	(15,797)	0	0	(909)	0	(57,894)	20,065	(20,082)	0	(18)	1,728	17	1,728
10	2033.34	79,862	406	3	0	80,271	(24,997)	0	(17,014)	0	(16,395)	0	0	(927)	0	(59,334)	20,937	(20,949)	0	(12)	1,728	17	1,733
11	2034.35	82,236	703	3	0	82,943	(25,497)	0	(17,354)	0	(17,069)	0	0	(946)	0	(60,866)	22,076	(22,009)	0	67	1,733	18	1,818
12	2035.36	84,681	708	3	0	85,392	(26,007)	0	(17,701)	0	(17,753)	0	0	(965)	0	(62,426)	22,965	(22,970)	0	(5)	1,818	18	1,831
13	2036.37	87,199	712	3	0	87,914	(26,527)	0	(18,055)	0	(18,250)	0	0	(984)	0	(63,817)	24,097	(23,951)	0	146	1,831	19	1,996
14	2037.38	89,792	716	3	0	90,511	(27,058)	0	(18,417)	0	(18,695)	0	0	(1,004)	0	(65,173)	25,338	(24,951)	0	387	1,996	22	2,405
15	2038.39	92,463	721	3	0	93,186	(27,599)	0	(18,785)	0	(19,428)	0	0	(1,024)	0	(66,836)	26,351	(25,972)	0	379	2,405	26	2,810
16	2039.40	95,213	450	3	0	95,665	(28,151)	0	(19,161)	0	(19,939)	0	0	(1,044)	0	(68,295)	27,370	(28,089)	0	(719)	2,810	25	2,115
17	2040.41	98,045	458	3	0	98,505	(28,714)	0	(19,544)	0	(20,121)	0	0	(1,065)	0	(69,444)	29,061	(29,069)	0	(8)	2,115	21	2,128
18	2041.42	100,961	466	3	0	101,430	(29,288)	0	(19,935)	0	(20,424)	0	0	(1,086)	0	(70,733)	30,696	(30,067)	0	629	2,128	24	2,782
19	2042.43	103,965	474	3	0	104,441	(29,874)	0	(20,333)	0	(20,841)	0	0	(1,108)	0	(72,157)	32,285	(31,086)	0	1,199	2,782	34	4,014
20	2043.44	107,058	482	3	0	107,543	(30,472)	0	(20,740)	0	(21,309)	0	0	(1,130)	0	(73,651)	33,892	(32,125)	0	1,767	4,014	49	5,831
21	2044.45	110,244	491	3	0	110,737	(31,081)	0	(21,155)	0	(21,303)	0	0	(1,153)	0	(74,692)	36,045	(38,686)	0	(2,641)	5,831	45	3,234
22	2045.46	113,524	499	3	0	114,026	(31,703)	0	(21,578)	0	(20,832)	0	0	(1,176)	0	(75,289)	38,737	(39,689)	0	(952)	3,234	28	2,310
23	2046.47	116,903	508	3	0	117,414	(32,337)	0	(22,010)	0	(20,475)	0	0	(1,199)	0	(76,021)	41,393	(40,712)	0	680	2,310	27	3,017
24	2047.48	120,382	517	2	0	120,902	(32,984)	0	(22,450)	0	(20,220)	0	0	(1,223)	0	(76,877)	44,025	(41,756)	0	2,269	3,017	42	5,328
25	2048.49	123,965	527	2	0	124,494	(33,643)	0	(22,899)	0	(19,949)	0	0	(1,248)	0	(77,739)	46,756	(42,820)	0	3,935	5,328	73	9,336
26	2049.50	127,656	536	2	0	128,194	(34,316)	0	(23,357)	0	(20,605)	0	0	(1,273)	0	(79,550)	48,644	(48,292)	0	352	9,336	95	9,783
27	2050.51	131,456	546	2	0	132,004	(35,002)	0	(23,824)	0	(19,821)	0	0	(1,298)	0	(79,945)	52,059	(49,405)	0	2,654	9,783	111	12,548
28	2051.52	135,370	556	2	0	135,928	(35,702)	0	(24,300)	0	(19,425)	0	0	(1,324)	0	(80,752)	55,176	(50,540)	0	4,635	12,548	149	17,332
29	2052.53	139,400	566	2	0	139,968	(36,417)	0	(24,786)	0	(19,150)	0	0	(1,351)	0	(81,704)	58,265	(51,698)	0	6,566	17,332	206	24,104
30	2053.54	143,551	576	2	0	144,129	(37,145)	0	(25,282)	0	(18,705)	0	0	(1,378)	0	(82,509)	61,620	(52,880)	0	8,740	24,104	285	33,129

Gadewir y dudalen hon yn wag yn fwriadol



CABINET – 3RD APRIL 2024

SUBJECT: PRIVATE SECTOR HOUSING RENEWAL AND ADAPTATION POLICY

REPORT BY: DEPUTY CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 To seek the views and agreement of members regarding the Private Sector Housing Renewal and Adaptation Policy 2024 and to realign the existing Private Sector Housing capital budgets accordingly to support delivery of the Policy from 2024/25. Members of the Housing & Environment Scrutiny Committee considered this report on the 26th of March 2024. Cabinet will receive a verbal update on the comments from the Committee.

2. SUMMARY

- 2.1 A 2002 Regulatory Reform Order requires local authorities to produce and implement deliverable Private Sector Housing Renewal Policies, providing assistance to customers in any form. A review of the current 2014 policy, is required, to ensure our key priorities remain relevant, to update our financial assistance products which no longer meet the needs of applicants for reasons including significant construction material and labour cost increases, availability of contractors and reducing local authority capital resources.

The report proposes:

- Retaining the previous key priorities, adding a new key priority of improving the energy efficiency of homes.
- Permanent withdrawal of Group and Block Repair and Renewal Area grants. (The Council will continue to seek to maximise opportunities to undertake smaller regeneration schemes when funding is available).
- Permanent withdrawal of Conversion Grants, using loan products instead.
- Continuation of Owner- Occupier Loans, Owner- Occupier Repayable Lifetime Loans and Landlord Loans.
- Permanent withdrawal of Home Repair Grants.
- Introduction of a new repayable product – Home Safety Repayable Assistance.
- Introduction of an Energy Crisis Grant using external funding sources, including Shared Prosperity Fund (SPF).
- Continuation of Discretionary Disabled Facilities Grants (DFGs).
- Continuation of Relocation Grants.

- Continuing to deliver medium adaptations by way of means tested mandatory DFGs.
- Bringing the means test for discretionary grant aid in line with the statutory means test for mandatory DFGs.
- Transitional arrangements
- Targeting the offer of the Council's In house Agency Service
- Reduction in In-House Agency Service fees.
- Realignment of the Private Sector Housing capital budget.

3. RECOMMENDATIONS

- 3.1 Cabinet note the comments of the Housing & Environment Scrutiny Committee of the 26th of March 2024.
- 3.2 That Cabinet members note the change in approach to delivering financial assistance from a mainly grant-based policy to a more sustainable repayable loan-based policy in relation to property maintenance and regeneration.
- 3.3 That Cabinet approve the Private Sector Housing Renewal and Adaptation Policy 2024.
- 3.4 That Cabinet approve continuing to deliver medium adaptations via means tested mandatory DFGs in line with statute, noting that this recommendation does not comply with the formal request of the Welsh Government Minister for Housing and Local Government, Julie James of the 10.03.2021 with regards to medium adaptations.
- 3.5 That Cabinet approve that the proposed policy be introduced with immediate effect, that discontinued products cease to be offered from 31 March 2024 with new financial products introduced from 1 June 2024 to allow for implementation planning and training.
- 3.6 That Cabinet approve that applicants with active enquiries for discontinued products be given a time limited opportunity to progress applications to formal approval.
- 3.7 That Cabinet approve the introduction of targeting of the In-House Agency Service to vulnerable households and amendments to Agency fees.
- 3.8 That Cabinet approve realignment of the Private Sector Housing annual capital budget of £2,167,000 and associated slippage monies £6,916,280 (as at period 9 monitoring report 2023/24) to deliver the proposed Policy in agreement with the Section 151 Officer and Cabinet Member for Housing. The slippage money and agency income to be ringfenced for a period of 5 years to allow the effective implementation of the proposed Policy.
- 3.9 That Cabinet approve assignment of £322,019 of the Private Sector Housing slippage monies referenced in 3.8 to support the delivery of the Bryn Carno Targeted Regeneration scheme.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 The Private Sector Housing Renewal Policy 2014 was formulated when capital budgets were under significantly less pressure than today and the assistance currently on offer is increasingly unaffordable and inappropriate to meet need. The

Authority's ability to sustain the level of grant-aided assistance that it has previously provided is now severely compromised by a diminishing capital funding situation. Officers no longer consider the Policy in its current form to be affordable and deliverable.

- 4.2 To effectively deliver financial assistance to residents and private sector landlords in a sustainable manner. The proposed Policy reflects the best use of available resources and helps the Council meet key priorities by improving housing quality, reducing fuel poverty, and promoting safety and independence at home.
- 4.3 The removal of the means test for DFGs would result in increased demand, putting a significant strain on the Council's limited resources (both revenue and capital). We increasingly need to focus on what communities need not want and this falls in this category. It is unmanageable without a means test and we are not resourced to offer the increase demand. Any increase in demand would lead to households awaiting assessment of need by Social Services and those in need of adaptations being disadvantaged by increased waiting times, with low-income applicants disproportionately affected, having no access to adaptations other than via a grant.
- 4.4 A lead in time is required to address the operational issues of withdrawing financial products and developing systems for administering new products, including IT changes and staff training.
- 4.5 Removing the obligation to utilise an agency service and targeting the support offered by the In-House Agency service would enable officers to focus support to those applicants who would be unable to manage their applications and associated programmes of work independently. It is expected that this will improve overall delivery times. The reduction in the use of the agency by applicants will inevitably reduce the income that is currently able to be generated by the service.
- 4.6 The cross tenure targeted regeneration scheme at Bryn Carno is partly grant funded by Welsh Government. It has experienced delays in implementation due to the complexity of the scheme and shortage of technical consultants and contractors accredited to statutory standards. The full extent of the project is now known, and contracts are being agreed. The essential costs for the private sector properties have increased by £322,019 and this is not able to be funded by the WG grant.
- 4.7 The implementation of the Policy will assist in helping the Council achieve the goals set out in the Wellbeing of Future Generations Act 2015.
- 4.8 To realise the Council's ambitions of creating cohesive and sustainable communities, as set out in the 2022- 2027 Local Housing Strategy, as well as aligning with the Caerphilly County Borough Corporate Plan, 2023 – 2028, Well-being Objective 2 of Enabling our Residents to Thrive

5. THE REPORT

Background

- 5.1 In July 2002, a Regulatory Reform Order introduced significant changes to Private Sector Housing Renewal, repealing much legislation relating to housing grants and replacing it with a wide-ranging power allowing local authorities to help with Private Sector Renewal in any form. The Order placed a statutory obligation on Local Authorities to produce and implement a Private Sector Housing Renewal Policy.

Current Policy

- 5.2 The current (2014) Policy recognises the role of Private Sector Housing Renewal within the Authority's overall strategic ambitions and identifies 6 key priorities:
1. **Regeneration of declining communities** – due to the evidence of multiple deprivation in parts of the County Borough.
 2. **Reducing the incidence of unhealthy housing** – due to the inextricable link between poor housing and poor health.
 3. **The return to use of long term empty private sector houses** – due to the considerable number of such properties within the County Borough and the wasted resource they represent.
 4. **Providing adaptations for disabled persons** – in recognition of the needs of a vulnerable sector of the community and the mandatory status of grant provision.
 5. **Enabling vulnerable persons to remain at home in safety and comfort** – in recognition of the difficulties encountered by low-income householders of all ages in respect of their ability to implement essential or emergency repairs to their homes.
 6. **Improving the standards within the private rented sector** – due to the increasing importance of this sector to the market, recognising that it has the highest levels of poor-quality accommodation and a considerable proportion of vulnerable tenants.
- 5.3 Most of the financial assistance available is in the form of grant aid, however, in November 2014 Cabinet approved the adoption of the Welsh Government Home Improvement Loans scheme, enabling the Council to offer Home Improvement Loans to owner occupiers and landlords to complement grant assistance. In 2018 Welsh Government altered the scheme, providing Local Authorities with a toolkit of options to assist homeowners. In July 2018 Cabinet approved an addendum to the Policy, replacing Home Improvement Loans with owner occupier loans, owner occupier repayable financial assistance (Lifetime Loans) and landlord loans.
- 5.4 Since 2018, there have been significant changes that have impacted the delivery of financial assistance. Following the Covid pandemic the construction industry in the Wales saw unprecedented price increases in relation to material and labour costs, contractor availability decreased, a cost-of-living crisis commenced and there has been a significant reduction in available capital resources. Consequently, the cost of funded works has increased, with many schemes unviable as exceeding the maximum assistance available. Consequently during 2023, Cabinet approved a moratorium on non-priority Home Repair Grants whilst a review of the policy was undertaken. In addition, Private Sector Housing are currently dealing with progressing a significant backlog of DFG applications linked to the closure of the system to routine applications during the Pandemic, and consequential shortages of contractors and increased costs. Currently all applicants for DFGs and Home Repair Grants utilise the in-house agency service, irrespective of need.
- 5.5 Following the review a revised Private Sector Housing Renewal and Disabled Adaptations Policy is now proposed, focusing on loans instead of grants to address

property conditions and to assist those requiring a replacement adaptation. Loan aid is more sustainable, being recycled over time, maximising the use of limited capital budgets, and complementing Welsh Government funded loan products already offered by the Council. Targeting of the in-house agency service is also proposed.

Review of Current Financial Products

5.6 The current Policy affords homeowners and private sector tenants with a repairing obligation a variety of grants and loans that have all been subject to review, as detailed below:

- **Group/Block Repair schemes** - historically, used to significant effect for strategically planned housing refurbishment. Following the discontinuation of Renewal Areas and removal of hypothecated funding, the Council is no longer able to progress these large-scale improvement projects so this assistance will no longer be available under the proposed Policy; however, the Council will continue to seek to maximise opportunities to undertake smaller regeneration schemes as required when funding is available, e.g. Bryn Carno.
- **Renewal Area Grants** – following the cessation of Renewal Areas in 2018 and removal of hypothecated funding, the Council no longer offers this assistance.
- **Conversion Grants** - have proved extremely useful in supporting key priorities 1 and 6 by producing additional units of accommodation, via the conversion of disused nondomestic accommodation. A maximum match funded grant of £15,000 no longer provides sufficient incentive to owners due to rising development costs. It is therefore proposed that the grant be permanently withdrawn, and landlord loans offered.
- **Owner-Occupier Loans** – interest free monthly repayable loans utilised in support of key priorities 1 to 5 for repairs and/or improvements to homes to make them Safe, Warm and Secure, to convert an empty property for owner-occupation or to undertake approved adaptations. The capital funding is provided by Welsh Government and ring fenced. It is proposed that this loan is retained.
- **Owner-Occupier Repayable Financial Assistance (Lifetime Loans)** - utilised in support of key priorities 1, 2 and 4, available to owner occupiers to carry out urgent repairs to their homes who satisfactorily evidence that they cannot afford an owner occupier loan. This interest free loan is repayable upon the sale or transfer of the property. The ringfenced capital funding is provided by Welsh Government. It is proposed that this loan is retained.
- **Landlord Loans** – an interest free, repayable loan utilised in support of key priorities 1, 2, 3 and 6, to carry out repairs to privately rented homes to make them Safe, Warm and Secure, or to enable an empty property to be converted into homes for private sector rent. The ringfenced capital funding is provided by Welsh Government. It is proposed that this loan is retained.
- **Home Repair Grants** - utilised in support of key priority 2, to assist vulnerable households with essential or emergency repairs to enable them to remain in the safety and comfort of their own homes. The maximum grant is £10,000 but due to rising construction costs they no longer offer sufficient funding for necessary works. There is increasingly high demand from vulnerable households for grant

funding to undertake essential home repairs putting significant strain on available resources. The Council's continuing ability to sustain previous levels of non-repayable grant-aided assistance is now severely compromised by corporate funding pressures. Members will recall that following a Cabinet decision taken on 19th of April 2023, a moratorium on routine applications for Home Repair Assistance is already in place.

- **Mandatory DFGs** - This grant, although included as a policy tool to support key priority 4, is awarded in line with the provisions of the Housing Grants, Construction and Regeneration Act 1996. Local Authorities have a statutory obligation to provide DFGs, of up to £36,000, so their funding is prioritised when allocating private sector housing capital budgets, currently accounting for around £1.133m per annum in capital provision. Private Sector Housing is currently addressing a significant backlog of DFG applications.
- **Discretionary DFGs** – utilised in support of key priority 4 are means tested grants with the same eligibility criteria as the mandatory DFG with a current maximum of £10,000. They are utilised either as a top up to a mandatory DFG or else as a dedicated grant for discretionary works considered to be essential for the purpose of making a dwelling suitable for the accommodation, welfare, or employment of a disabled occupant. It is proposed that this grant is retained but with a revised maximum grant of £14,000 to account for the increase in scheme costs.
- **Relocation Grants** – utilised in support of key priority 4, to assist with the relocation costs of a disabled person when adaptation is not reasonable or practicable, or else where adaptation of the existing property may not adequately meet assessed needs. Means tested, with the same eligibility criteria and maximum as the mandatory DFG. They are utilised extremely infrequently but remain an essential tool in addressing the wider needs of disabled persons. It is proposed that this grant is retained but with a revised maximum grant of £50,000 due to substantial increases in property acquisition costs.

5.7 It is proposed that the mandatory and discretionary grant assistance for the delivery of adaptations, will be subject to a test of financial resources, to reflect affordability and target limited resources.

Proposed Policy

5.8 Whilst the responsibility for the maintenance and improvement of homes within the private sector sits with the owner, the Council recognises that some people will not have access to the necessary resources. For these, the Council continues to have a key role to play.

5.9 The proposed policy document outlines the various forms of financial assistance the Authority would make available to private owners (including private sector landlords) and contract holders (formerly known as tenants) within the County Borough to repair, maintain or adapt their homes or convert underused or redundant properties, as detailed above. It will make the best use of available funding to support the key priorities, improve the quality of housing, and thereby the quality of life of occupiers, reducing incidences of homelessness. Applicants requesting assistance will be assessed regarding their circumstances and the Council will determine which is the most suitable product to help them.

5.10 The proposed policy also highlights the Authority's commitment to a strong regulatory

stance in dealing with owners within the private sector that choose to ignore their statutory responsibilities, including private sector landlords and empty homeowners. Related financial products are discretionary and funding will be governed by the annual budget set by the Council and the aims and principles detailed in the Policy.

- 5.11 The Policy has been informed from examining the profile of the County Borough in relation to the types of residential accommodation it contains and the conditions that exist within the different accommodation types using a variety of housing data sources. The population profile, together with the health and social needs of the County Borough's residents, were also examined.
- 5.12 In addition to confirming that the 6 key priorities identified in previous policies remain relevant, the review process has led to identification of a new key priority 7, due to the high number of households living in fuel poverty, being vulnerable to the effect of cold and the cost-of-living crisis. This priority also supports the achievement of national and corporate decarbonisation ambitions and net zero carbon objectives.
- 5.13 This proposed policy therefore seeks to address:
1. Supporting communities through targeted regeneration schemes e.g. Bryn Carno and George Street cross tenure schemes.
 2. Reducing the incidence of unhealthy housing.
 3. The return to use of long-term empty private sector homes.
 4. Providing Adaptations for disabled persons.
 5. Enabling vulnerable people to remain at home in safety and comfort.
 6. Improving Standards within the private rented sector.
 7. Improving the energy efficiency of homes.
- 5.14 Having reviewed the effectiveness, affordability, and mandatory status (where applicable) of current forms of assistance, and considered the current policy landscape and market conditions the financial assistance proposed to be offered to support delivery of the 7 key priorities are detailed below:
- **Owner-Occupier Loans** as detailed above in section 5.6, in support of key priorities 1, 2, 3, 4, 5 and 7.
 - **Owner-Occupier Repayable Financial Assistance** (Lifetime Loans) as detailed above in section 5.6 in support of key priorities 1, 2, 4 and 7.
 - **Landlord Loans** as detailed above in section 5.6, in support of key priorities 1, 2, 3, 6 and 7. It is proposed that this loan is retained with a revised fee.
 - **Home Safety Repayable Assistance** – in support of key priorities 2, 4 and 5. It is proposed that this interest free assistance replaces the Home Repair Grant. The product will be available to owner occupiers that fail an approved affordability test to access loan funding, are ineligible for the Lifetime Loan product and who need to carry out small scale urgent repairs or extensive adaptations to their home linked to a mandatory DFG, or to arrange the replacement of lifting equipment

previously provided via grant aid, such as stairlifts and vertical lifts. This assistance will be repayable on the sale or transfer of the property.

For urgent repairs the maximum assistance will be £15,000, an increase from the £10,000 available for Home Repairs Grant to reflect increases in construction costs (with an additional £5,000 being available for unforeseen works relating to the approved scheme), and £35,000 if linked to the delivery of large adaptations such as vertical lifts and extensions. Whilst generating a recyclable capital pot over time, reducing pressure on capital budgets in the longer term, the current annual capital budget for Home Repair Grants (£788,000) will be insufficient to address anticipated need for these loans in the short term. It is proposed that slippage monies within Private Sector Housing capital budgets, accrued in part due to the moratorium on routine Home Repair Grant applications previously approved by Cabinet and an inability to deliver during the pandemic, be allocated for the administration of this loan product. In the medium term this assistance would relieve pressure on capital resources, as it would create a recyclable capital to fund loans in future years. It is proposed that this new product is introduced to enable those applicants' ineligible to access Welsh Government funded loans for assistance with urgent repair works following the permanent withdrawal of Home Repair Grants.

- **Mandatory DFGs** as detailed above in section 5.6, in support of key priority 4. Recognising the Council's statutory obligation to provide DFGs, the benefit of the assistance to disabled persons and their carers and the indirect impact on health and social care budgets, it is essential that the level of capital and revenue resources devoted to this form of assistance are sufficient to ensure the Authority not only meets its statutory obligations, but also does so within acceptable waiting times, whilst recognising current budgetary constraints. It is proposed that the Local Authority continue to administer medium and large-scale disabled adaptations in accordance with statute, including means testing of adult applicants.
- **Discretionary DFGs** as detailed above in section 5.6, in support of key priority 4. It is proposed that this grant is retained, with an increased maximum of £14,000 due to increases in scheme costs.
- **Relocation Grants** as detailed above in section 5.6, in support of key priority 4. It is proposed that this grant is retained with an increased maximum grant of £50,000 due to increases in suitable property acquisition costs. This would be in line with the total assistance available for large scale adaptations to an existing property (mandatory DFG £36,000 and discretionary top up DFG £14,000). They are utilised extremely infrequently (1 or 2 a year) but remain an essential tool in addressing the wider needs of disabled persons.
- **Energy Crisis Grants** – in support of key priority 7. Following a successful pilot programme in 23/24, it is proposed that these new discretionary grants of up to £5,000, funded externally from the Shared Prosperity Fund (and the Cost-of-Living Fund if available), should be offered, when funding is available to support the new key priority 7. They will be offered to install eligible measures to improve the energy rating of homes that are energy inefficient, for fuel poor, vulnerable households. Following a test of financial resources there will be no financial contribution required from eligible applicants. The Council's involvement in the scheme will be limited to a facilitator role, through the provision of payments to the agreed installer.

Additional Policy Changes

- 5.15 **Means Testing for Grant Aid** – All current grant types are, for owner-occupiers and tenants, subject to means testing. Mandatory DFGs are means tested in line with statute. The means test in respect of discretionary grant aid, however, can be administered in whatever manner the Authority determines. The current Policy uses a means test, based on the statutory means test but with certain amendments. For consistency and fairness, the proposed Policy will revert to the statutory means test as applied to mandatory DFGs.
- 5.16 Medium and large-scale adaptations delivered in the private sector, such as showers, stairlifts and extensions, will continue to be provided under statute and as such applicants will be means tested.
- 5.17 **WG issue regarding small and medium adaptations** - On the 10th of March 2021, the Welsh Government Minister for Housing and Local Government announced measures to remove the statutory means test for small and medium DFGs offered to adults in Wales, with a review after 3 years (applications for children are not means-tested). Unable to remove the statutory obligations of means testing for mandatory DFGs, Welsh Government instead requested local authorities use discretionary powers under the Regulatory Reform Order to introduce this change via their Private Sector Housing Renewal and Adaptations Policies, by creating new non-means tested products.
- 5.18 The Wales Centre for Public Policy undertook a study on the potential impact of removing the means test on DFGs in Wales and found the current means test for DFGs has acted as a deterrent to some disabled persons requiring adaptations in Wales. These disabled persons drop out of the DFG application process because they do not want to disclose their financial information or because their income and savings have resulted in a means test that requires them to contribute in part or whole to the DFG works proposed.
- 5.19 Although this change reflects current long-term practice for small scale adaptations within Caerphilly County Borough, which are administered by Private Sector Housing on behalf of Social Services, the change has not been progressed for medium adaptations within this Policy. If the means test were withdrawn it is highly likely that the increase in demand and expectation would put a significant strain on Social Services and Caerphilly Homes' revenue and capital resources. The scale of this impact is unknown as it is not possible to account for those who, under the current system, are deterred from applying or withdraw because of the means test. Any increase in the demand for adaptations without commensurate increases in capital and revenue budgets would inevitably lead to households in need of adaptations being disadvantaged by significant backlogs and increased waiting times as Welsh Government are not offering any revenue funding and a contribution to capital costs of only £120,164.00 for 2024/25, with no commitment given to further contributions.
- 5.20 Low-income applicants would be disproportionately disadvantaged as they would have no access to adaptations other than via a grant. Applicants in need of large adaptations would not benefit as the removal of the means test excluded delivery of large adaptations. There are currently significant backlogs of medium and large adaptations in both the public and private sector due to increased costs of materials, shortage of contractors and staff capacity. There would be a need for additional OTs (occupational therapists) to carry out assessments of need, where recruitment is

currently problematic, with additional staff required in Private Sector Housing to processing applications, and an increase in approved contractors. The impact for OT waiting times will not only effect those awaiting assessment for adaptations but waiting times for all OT assessments.

- 5.21 It is therefore proposed that the Council continues to deliver medium adaptations through means testing of applicants for mandatory Disabled Facilities Grants and discretionary grant assistance as detailed above in section 5.6.
- 5.22 Replacement adaptations will be delivered via Home Safety Repayable Assistance.

Reduction in Agency Service

5.23 The Council recognises the significant contribution home improvement agencies can make in supporting applicants for financial assistance, many of whom will be disadvantaged and unfamiliar with the demands of the associated administration, works supervision and financial management involved. In view of the substantial capital investment the Council provides towards private sector renewal and delivery of adaptations, the need to secure a quality product representing value for money is paramount.

5.24 Currently, the Council has mandated that certain forms of assistance are only available via the use of an agency service and recommends the benefits of using a recognised home improvement agency or competent person to oversee grant and loan assisted projects, costs for which may be grant or loan assisted, subject to the conditions outlined in the Policy being met. The revised policy proposes the removal of any requirement to use an agency service and instead the service will be routinely offered, at the Council’s discretion, only to those applicants who the Council are satisfied are unable to manage their applications independently, with the assistance offered subject to available resources.

5.25 This will allow targeting of support to those applicants who would probably be unable to arrange delivery of the scheme without this assistance. Applicants deemed capable of being able to undertake the grant process themselves would not be routinely offered the service. It is expected that this will improve delivery times for some products. The Council will however reserve the right to utilise the in-house agency service in respect of strategic schemes proactively initiated by the Council (as identified in Key Priority 1).

5.26 The reduction in the use of the agency will inevitably reduce income generation. In addition, following the consultation exercise and with consideration of the current macro-economic landscape and the Council’s transformation agenda the fees for those using the agency service have also been reviewed and proposed to be reduced as detailed in the table below.

Reduction in Agency Fees

	Current	Proposed
Lifetime Loan	12%	10%
Home Repair Grant	12%	Replacement Home Safety Repayable Assistance 10%
Mandatory DFG	15%	10%

	(10% where works exceed £20,000)	
Discretionary DFG	15%	10%
Owner Occupier Loans Landlord Loans Relocation Grants	Agency services charged currently	Agency services not available in the future for these products.

- 5.27 All agency fees generated will be put forward as a revenue contribution to the capital programme for delivering the Private Sector Housing Renewal and Disabled Adaptations Policy.

Transition

- 5.28 To ensure a smooth transition between policies it is considered necessary to cease to offer discontinued products in advance of the introduction of new products. It is therefore proposed that, whilst the policy is introduced with immediate effect, that new products be introduced from 1 June 2024 to allow for preparation and training. It is further proposed that applicants with active enquiries for priority Home Repair Grants be notified that they will be given a time limited opportunity to progress with applications for formal approval.

CONCLUSION

- 5.29 The current Private Sector Housing Renewal Policy was formulated when capital budgets were under significantly less pressure than today, and the assistance offered is increasingly unaffordable. The ability to sustain the level of grant-aided assistance previously provided is now severely compromised by a diminishing capital funding situation. Officers no longer consider the Policy in its current form to be affordable and deliverable.
- 5.30 The adoption of the revised Private Sector Housing Renewal and Disabled Adaptations Policy will effectively deliver financial assistance to residents and private sector landlords for both regeneration and adaptations in a sustainable manner. The proposed Policy reflects the best use of available resources and is intended to reduce the pressure on the Authority's overall capital programme going forward, by creating a sustainable recyclable pot to assist vulnerable homeowners to maintain their homes. The Policy will support the Council's key priorities by improving housing quality, reducing fuel poverty, and promoting safety and independence at home.
- 5.31 The removal of the means test for medium adaptations would result in increased demand for adaptations, putting a significant strain on the Council's limited resources (both staff and financial). The scale of impact is unknown as it is not possible to account for those who are currently deterred from applying or withdraw due to the means test. Increasing demand would lead to households in need of adaptations being disadvantaged by increased waiting times as low-income applicants with no access to adaptations other than via a grant would be disproportionately affected. Welsh Government are not offering revenue funding to support their proposal and only a small contribution to capital costs.
- 5.32 Therefore, it is proposed that the Council:

- Introduce a new key priority 7 - Improving the energy efficiency of homes.
- Offer a revised suite of financial assistance products in support of the key priorities, with additional focus on loans.
- Continue to deliver medium adaptations under the Housing Grants Construction and Regeneration Act 1996 by way of mandatory means tested DFGs.
- Amend the means test for discretionary grant aid in line with the statutory means test for mandatory DFGs.
- Introduce targeting of the offer of the Council's In house Agency Service
- Reduce the associated In-House Agency Service fees.
- Realign the Private Sector Housing capital budget as detailed in the report.

6. ASSUMPTIONS

- 6.1 The Council will comply with any terms and conditions attached to any Welsh Government or alternative external sources of funding.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 The Integrated Impact Assessments (IIA's) suggest that the introduction of the Private Sector Housing Renewal and Adaptation Policy will have a positive impact upon the residents of the County Borough by improving availability of good quality housing and increasing independence.
- 7.2 By providing opportunities for people to have access to a range of financial products and advice, the IIA's shows that the Policy will have a positive impact on equality, diversity and inclusion, on tackling social disadvantage and on promoting the wellbeing of existing and future generation. Helping people maintain and improve their homes also contributes to several of the Council's wellbeing objectives. No adverse impact on the promotion of the Welsh language was identified.
- 7.3 The IIA's can be found at:

Link to IIA – Renewal Financial Products Final

Link to IIA – Adaptations Final

8. FINANCIAL IMPLICATIONS

- 8.1 Following the consultation exercise and with consideration of the current macro-economic landscape and the Council's transformation agenda it is proposed to reduce the level of agency fees charged for use of the service. Consequently, there will be a reduction in agency fees generated because of the introduction of the proposed policy and therefore a reduction in the revenue budget for Private Sector Housing. All agency fees generated will be ring fenced as a revenue contribution to the capital programme for delivering the Private Sector Housing Renewal and Disabled Adaptations Policy.

Capital Implications

- 8.2 The funding of the products under the proposed Policy will be governed by the budget set by the Council.

- 8.3 The existing annual budget for Private Sector Housing of £2,167,000 will be sufficient for the products proposed to be carried forward into the revised policy other than the proposed Home Safety Repayable Assistance.
- 8.4 The transition from a grant to a loan product to assist vulnerable homeowners with home maintenance is intended to reduce the pressure on the Authority's overall capital programme going forward, by creating a sustainable recyclable pot. However, significant funding will be required to administer the loans until the Council receives sufficient loan repayments to enable the recyclable loan pot to be self-financing. It is therefore proposed that, in addition to the current annual budget allocation, available, Private Sector Housing slippage money of £6,916,280, (as per Period 9 Monitoring Report), available in part due to the significant impact Covid 19 had on the delivery of repair and adaptation programmes, be ring fenced for the purpose of delivering the policy, with a particular focus on Home Safety Repayable Assistance, for a period of at least 5 years, at which time a review of the annual budget would be required.
- 8.5 The cross tenure targeted regeneration scheme at Bryn Carno is partly grant funded by Welsh Government. It has experienced delays in implementation due to the complexity of the scheme and shortage of technical consultants and contractors accredited to statutory standards. The full extent of the project is now known, and contracts are being agreed. There is an increase required to the budget of £322,019 for the private sector properties that is not able to be funded by the WG grant. £322,019 of the slippage monies would therefore be allocated to the targeted regeneration project at Bryn Carno.
- 8.6 Welsh Government Owner Occupier Loans, Owner-Occupier Repayable Lifetime Loans and Landlord Loans are funded by ringfenced Welsh Government funds, which are due to be reviewed.
- 8.7 Energy Crisis Grants will be offered whilst external funding is available.

9. PERSONNEL IMPLICATIONS

- 9.1 Expanding the range of financial products available and reducing the use of the In-house Agency Service will result in changes to roles and operational practices. There are no personnel implications of the introduction of the proposed policy, however staffing capacity will be required to be reviewed within 12 months of the introduction of the policy, when product demand has developed.

10. CONSULTATIONS

- 10.1 A comprehensive consultation exercise in respect of the Policy has been carried out for 8 weeks from the 14th December 2023 until the 16th of February 2024, and the results are reflected in the report.
- 10.2 The consultation exercise received 11 online responses and 1 email response. Below is a summary of the responses received.
- 10.3 100% of the responses were received in English from a mix of respondents including staff, residents, businesses and a voluntary organisation. Respondents included 8 owner-occupiers, 3 council tenants. Of those who stated 'why' they were responding,

2 were private sector landlords and 5 were disabled or had a disabled child.

- 10.4 All respondents agreed with the 7 key priorities.
- 10.5 7 respondents agreed with the sustainable approach to deliver financial assistance to address substandard properties, 4 disagreed and 1 didn't know. Concern was raised about how with the current cost of living crisis, people could afford regular loan repayments, however affordability is considered when determining the most appropriate product for an applicant, with some of the products repaid at the point of sale of the property and therefore do not require monthly loan repayments.
- 10.6 10 respondents agreed with the targeted approach and the use of a means test for DFG assistance to ensure that the most financially vulnerable households are able to be supported. 2 didn't know.
- 10.7 9 respondents were asked if they agreed with the prioritisation policy, 1 disagreed and 2 didn't know. 1 respondent did not support prioritisation linked to a regeneration scheme however, it is not practical to deliver a regeneration scheme with properties being dealt with at different times.
- 10.8 6 respondents agreed with the removal of the requirement to use a home improvement agency, and 6 disagreed. Those who disagreed highlighted that agency services ensured quality and support for residents in delivering works. Those who agreed wanted the right to choose.
- 10.9 2 respondents considered the introduction of the policy would impact negatively on them because of a protected characteristic, 9 did not, and 1 said they didn't know. 1 respondent considered it would impact them negatively because they were a disabled person, the other did not provide any additional text. The IIA concluded that the policy would not impact negatively on protected characteristics.
- 10.10 6 respondents agreed the policy will help to reduce levels of socio-economic disadvantage in the Borough, 4 disagreed and 2 didn't know. 1 respondent was concerned about residents' ability to make regular loan repayments. However, affordability is considered when determining the most appropriate product for an applicant with some proposed loan products repaid at the point of sale of the property so do not require monthly loan repayments.
- 10.11 6 respondents agreed the policy would have a positive impact on future generations living in the Borough, 2 disagreed and 4 didn't know. Concerns were raised about the lack of Government investment in private sector housing and the focus on public sector housing with the WHQS programme.
- 10.12 8 respondents considered the policy will ensure that the Welsh language is treated no less favourably, 2 disagreed and 2 didn't know. No further comments were provided.
- 10.13 General comments included support for any actions that return empty properties back into use or help with homelessness. Additionally, there were comments about increasing the funding available to assist disabled persons via disabled facilities grants. This is a central government issue and is therefore not covered by the Policy. The draft policy includes discretionary grant assistance and loans for adaptations.
- 10.14 All comments received from the consultees listed below have been noted and, where appropriate, incorporated within the report.

10.15 Cabinet will receive a verbal update on the comments made at the Housing and Environment Scrutiny Committee on the 26th of March 2024.

11. STATUTORY POWER

11.1 Local Government and Housing Act 1989
Housing Grants, Construction and Regeneration Act 1996.
The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002
Housing Renewal Grant Regulations 1996,

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Appendices:

Link to Appendix 1 **Private Sector Housing Renewal and Adaptation Policy 2024**

Gadewir y dudalen hon yn wag yn fwriadol



CABINET - 3RD APRIL 2024

SUBJECT: SUSTAINABLE COMMUNITIES FOR LEARNING BAND B PROGRAMME - STATUTORY OBJECTION REPORT: YSGOL Y LAWNT AND UPPER RHYMNEY PRIMARY SCHOOL

REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE SERVICES

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to update Members in relation to the Sustainable Communities for Learning programme in respect of the proposal to relocate Ysgol Y Lawnt and Upper Rhymney Primary School, through the creation of sustainable school buildings with shared facilities.
- 1.2 Members are asked to consider the information contained in the Objection Report and approve the recommendations, via vote, to proceed to planning application stage and subsequent Welsh Government business case approvals.

2. SUMMARY

- 2.1 Further to Cabinet approval gained 13th December 2023, a Statutory Notice for the proposal relating to Ysgol Y Lawnt and Upper Rhymney Primary School was published, and the formal objection period ran between 8th January 2024 and the 5th February 2024.
- 2.2 Under Section 49 of the School Standards and Organisation (Wales) Act 2013 when objections have been received proposers must publish a summary of the statutory objections and the proposer's response to those objections ("the Objection Report").
- 2.3 2 Objections were received via email and in the medium of English.
- 2.4 To discharge the Council's duty under the School Organisation Code 2018, there is now a requirement for Cabinet members to give due regard to the content of the Objection Report and make a final determination as whether to implement the proposal as outlined in the documentation.
- 2.5 Should Cabinet authorise progression of the project, a Decision letter will be published setting out clearly the reasons for the decision with reference to the School Organisation Code 2018.

- 2.6 The proposal will then progress to Planning Application stage and subsequent Welsh Government business case approvals.

3. RECOMMENDATIONS

- 3.1 Cabinet Members are asked to: -

- a) Consider the information contained in the Objection Report
- b) Approve the recommendation, via vote, to proceed to Planning Application stage and subsequent Welsh Government business case approvals.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure Members are updated on the progress of the Sustainable Communities for Learning Band B programme.
- 4.2 To seek Member approval on the recommendations outlined in 3.1 and for Cabinet to make a final determination in respect of the proposal.
- 4.3 To assist the Council in discharging its duties in line with the requirements of the Welsh Government's School Organisation Code 2018.

5. THE REPORT

Band B

- 5.1 The Sustainable Communities for Learning Programme is a major, long term and strategic capital investment programme supporting large scale capital building projects across Wales with the aim of educational transformation through enhancing school buildings and developing them as hubs for learning to meet 21st Century Educational and Community needs.
- 5.2 The Programme focuses resources on the right school, in the right place, from early years through to post-16, with funding jointly provided by Welsh Government and Local Authorities.
- 5.3 The key aims of the Sustainable Communities for Learning Band B investment programme, outlined by Welsh Government, is:
- *Investment Objective One* - to provide efficient and effective educational infrastructure that will meet current and future demand for places

To include:

- The right number of places for the delivery of Welsh and English medium education
- Addressing sufficiency issues where relevant
- Reducing in Backlog maintenance costs for schools
- Working towards Net Zero Public Sector Buildings in line with Welsh Government Carbon Reduction Commitments

- *Investment Objective Two* – to optimise the use of infrastructure and resources, to deliver public services for our communities.

This will include:

- Flexibility of our assets so that space and facilities available for our stakeholders are maximised.

5.4 The schemes identified for Phases 1 & 2 of the Band B programme are:

- A new replacement Ysgol Gymraeg Cwm Gwyddon on the former Cwmcarn High School site.
- An extension of Trinity Fields School and Resource Centre
- The amalgamation of Llancaeath Junior School and Llanfabon Infants School to create a new Primary School provision
- A new replacement Plasyfelin Primary School on the existing site
- The establishment of a Centre for Vulnerable Pupils (Pupil Referral Unit) on the former Pontllanfraith Comprehensive site

5.5 **Phase 3 – Ysgol Y Lawnt and Upper Rhymney Primary School**

5.5.1 The proposal seeks to create sustainable school buildings with shared facilities, to accommodate Ysgol Y Lawnt, Upper Rhymney Primary School and Community use.

5.5.2 The two schools will continue to provide both Welsh and English Medium Primary education and remain as separate and segregated entities, situated within the new dual purpose building.

5.5.3 The new school build will be designed to maximise local infrastructure, sustainability and energy efficiencies in meeting the Welsh Government Net Zero Carbon School requirements.

5.5.4 Further to Cabinet approval gained 13th December 2023, a Statutory Notice for the proposal relating to Ysgol Y Lawnt and Upper Rhymney Primary School was published on the 8th January 2024.

5.5.5 The Statutory Notice was published on a school day and consultees were given 28 days to respond to the document, with at least 15 of these being school days as defined by Section 579 of the Education Act 1996.

5.5.6 All documentation was published in Welsh and English, complying with the requirements of the Welsh Language Standards. Information was also available in other languages and formats on request.

5.5.7 A prescribed list of recipients as outlined in the School Organisation Code 2018 were written to and a Statutory Notice was published electronically on the Council's website.

5.5.8 Hardcopies of the Statutory Notice were made available at both Ysgol Y Lawnt and Upper Rhymney Primary School and displayed in the school foyers and on/in close proximity to the entrance gates. In addition, the school's internal communication network with parents and pupils was used to raise awareness of the process and publication of the Statutory Notice.

- 5.5.9 The objection period ran from Monday 8th January 2024 (a school day) and concluded at midnight on Monday 5th February 2024 to provide adequate time for response.
- 5.5.10 A total of 2 objections were received, via email and in the medium of English during the Objection Period.
- 5.5.11 Under Section 49 of the School Standards and Organisation (Wales) Act 2013 when objections have been received proposers must publish a summary of the statutory objections and the proposer's response to those objections ("the Objection Report").
- 5.5.12 An Objection Report in relation to the proposal has been compiled and attached as an annex to this report to enable conscientious consideration to any responses received.
- 5.5.13 At its meeting of the 12th March 2024, the Education and Social Services Scrutiny Committee considered the information contained in the Objection Report and endorsed the recommendation to Cabinet, via vote, to proceed to Planning Application stage and subsequent Welsh Government Business Case approvals.
- 5.5.14 Once Cabinet has made the final determination, a Decision Notice will be published electronically on the Sustainable Communities for Learning page on the Council's website. All consultees will be notified via email/letter and hard copies will be available on request.

5.6 **Conclusion**

Pursuant to the requirements of the School Organisation Code 2018, the formal statutory objection period has now concluded, and this report has been compiled along with the Objection Report to provide Members with the necessary information to make an informed decision as to the final determination for the proposal relating to Ysgol Y Lawnt and Upper Rhymney Primary School.

6. **ASSUMPTIONS**

- 6.1 No assumptions have been made in relation to this report as it merely updates on the progress of individual projects.

7. **SUMMARY OF INTEGRATED IMPACT ASSESSMENT**

- 7.1 An initial Integrated Impact Assessment (IIA) for this proposal was undertaken alongside the original Consultation Document forming part of the outline consultation pack which is published on the Council's website.
- 7.2 The Integrated Impact Assessment has been reviewed to include any additional elements highlighted through the statutory consultation process. The purpose of this further assessment is to take account of any further information that has come forward through the consultation or otherwise.

Original [Link to IIA](#)
Updated [Link to IIA](#)

8. FINANCIAL IMPLICATIONS

- 8.1 The original estimated proposed project cost for the relocation of Ysgol Y Lawnt and Upper Rhymney Primary, which forms the next phase of the Sustainable Communities for Learning Band B programme, has previously been reported as £17,605,140.
- 8.2 The Authority's contribution of which has been agreed at £6,052,119, to be set aside from the Authority's Place Shaping reserve.
- 8.3 Due to ongoing market conditions it is likely that this cost will further increase and any additional ask will be reflected and considered by Cabinet through the Place Shaping Programme Reporting process.

9. PERSONNEL IMPLICATIONS

- 9.1 This will be dependent on specific proposals and will be considered as part of the consultation process.

10. CONSULTATIONS

- 10.1 Education and Social Services Scrutiny Committee 12th March 2024 – Comments on Sustainable Communities for Learning Band B Programme - Statutory Objection Report: Ysgol Y Lawnt and Upper Rhymney Primary School

A member highlighted the CADW listing on the existing school site and sought clarification on what its potential future use - if the new schools proceed. The committee was advised that if the new schools go ahead, and the existing site is declared surplus, it would be handed over to the Councils Property Services Team. There would be consultation with the Welsh Language Commissioner to consider whether the site has any potential Welsh Language use, before any other proposals for the site would be considered.

Members asked for an update on other former school sites that have not yet been developed and assurance was given that an update will be provided.

A members asked when the plans for the new schools will be available and was advised that should Cabinet approve the proposals, the next steps would be to work with Building Consultancy Team to develop them further and which includes the a sustainable drainage process, Planning and Tender process, the full business case will need to be submitted to Welsh Government for approval in relation to funding. Once all this is completed the build can commence and it is hoped to complete by September 2027.

Following the debate the recommendations were moved and second and supported by the majority present – 16 For.

11. STATUTORY POWER

- 11.1 School Organisation Code 2018 (Welsh Government)

School Standards and Organisation (Wales) Act 2013

Author: Andrea West, Place Shaping and Sustainable Communities for Learning
Service Manager

Consultees: Dave Street, Deputy Chief Executive
Richard Edmunds, Corporate Director of Education and Corporate Services
Mark S Williams, Corporate Director for Economy and Environment
Gareth Jenkins, Interim Director for Social Services
Councillor Carol Andrews, Cabinet Member for Education and Communities
Councillor Teresa Parry, Chair, Education and Social Services Scrutiny
Committee
Councillor Brenda Miles, Vice Chair Education and Social Services Scrutiny
Committee
Sue Richards, Head of Education Planning and Strategy and Place Shaping
Programme Director
Steve Harris, Head of Financial Services and S151 Officer
Keri Cole, Chief Education Officer
Sarah Ellis, Lead for Inclusion and ALN
Sarah Mutch, Early Years Manager
Paul Warren, Strategic Lead for School Improvement
Jane Southcombe, Financial Services Manager
Lynne Donovan, Head of People Services
Rob Tranter, Head of Legal Service and Monitoring Officer
Ben Winstanley, Head of Land and Property Services
Steve Pugh, Corporate Communications Manager

Background Papers

Objection Report – Ysgol Y Lawnt and Upper Rhymney Primary School

Objection Responses Document - *Cabinet members will be provided with copies of the 2
Objections received in their original format.*



CABINET - 3RD APRIL 2024

SUBJECT: SCHOOL ORGANISATION CODE 2018 - STATUTORY OBJECTION REPORT: PROPOSAL FOR THE CLOSURE OF CWM GLAS INFANTS SCHOOL

REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE SERVICES

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to update Scrutiny Members in relation to the proposal in respect of the closure of Cwm Glas Infants School, effective from the 20th July 2024.
- 1.2 Members are asked to consider the information contained in this update report and approve the recommendations, outlined in 3.1, via vote, to proceed to full implementation.

2. SUMMARY

- 2.1 Further to Cabinet approval gained 13th December 2023, a Statutory Notice for the proposal to close Cwm Glas Infants School, effective from the 20th July 2024 was published, and the formal objection period ran between 8th January 2024 and the 5th February 2024.
- 2.2 Under Section 49 of the School Standards and Organisation (Wales) Act 2013 when objections have been received proposers must publish a summary of the statutory objections and the proposer's response to those objections ("the Objection Report").
- 2.3 No statutory objections were received for this proposal, hence there is no requirement to produce an Objection Report in this instance.
- 2.4 However, to discharge the Council's duty under the School Organisation Code 2018, there is still a requirement for Cabinet members to give due regard to the outcome of the objective period and make a final determination as whether to implement the proposal as outlined in section 3.1 of this report.
- 2.5 Should Cabinet authorise progression of the project to full implementation, a Decision letter will be published setting out clearly the reasons for the decision with reference to the School Organisation Code 2018 and Cwm Glas Infants School will close, effective from the 20th July 2024.

3. RECOMMENDATIONS

3.1 Cabinet Members are asked to: -

- a) Consider the information contained in this update report
- b) Approve the recommendation, via vote, to proceed to full implementation

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure Members are updated on the progress of proposal for the closure of Cwm Glas Infants School, effective from the 20th July 2024.
- 4.2 To seek Member approval on the recommendations outlined in 3.1 and for Cabinet to make a final determination in respect of the proposal.
- 4.3 To assist the Council in discharging its duties in line with the requirements of the Welsh Government's School Organisation Code 2018.

5. THE REPORT

Cwm Glas Infants School

- 5.1 Cwm Glas Infants School provides education to pupils between the ages of 3 and 19 and has a published capacity figure of 57 places with a published admission number of 19.
- 5.2 The current pupil roll is 33 pupils (Full Time Equivalent) with over 50% of these pupils residing outside of the catchment area of the school.
- 5.3 Surplus places are currently at 47.37% rising to 56.14% in September 2024 and projected to increase in future years as the number of pupils predicted to attend the school is anticipated to decline linked to a reduction in live birth rates in the area and parental preference.
- 5.4 The projected pupil numbers and resultant financial outlook for the school provides a significant challenge to the ability of the Head and School Governors to agree a balanced budget to maintain the school and an appropriate staffing level which has led to a request to the local authority to consider closing the school at the end of the academic year, effective from the 20th July 2024.
- 5.5 Under the School Funding (Wales) Regulations 2010, Individual school budgets are determined using a locally agreed funding formula in accordance with factors which are learner led. Schools must be able to demonstrate via a financial action plan that the school will work to deliver a balanced budget. However, the Head Teacher and Governing Body have acknowledged that Cwm Glas Infants School is facing a significant financial deficit with pupil numbers projected to further decrease moving forward.
- 5.6 Reasonable alternatives to closure, such as reduction in the number of classes, collaboration, federation and colocation were considered by the Head Teacher and Governing Body in partnership with the Local Authority but deemed not viable or sustainable.

- 5.7 Cwm Glas Infants School is a feeder school for Coed Y Brain Primary at Key Stage 2. Both schools share the same catchment area and are both located in Llanbradach within circa 1 mile of each other. Should the decision be taken to close Cwm Glas Infants School, based on current and future projections for both schools, all pupils could be accommodated within Coed Y Brain Primary School, subject to parental preference.
- 5.8 Further to Cabinet approval gained 13th December 2023, a Statutory Notice for the proposal to close Cwm Glas Infants School with effect from July 2024 was published on the 8th January 2024.
- 5.9 The Statutory Notice was published on a school day and consultees were given 28 days to respond to the document, with at least 15 of these being school days as defined by Section 579 of the Education Act 1996.
- 5.10 All documentation was published in Welsh and English, complying with the requirements of the Welsh Language Standards. Information was also available in other languages and formats on request.
- 5.11 A prescribed list of recipients as outlined in the School Organisation Code 2018 were written to and a Statutory Notice was published electronically on the Council's website.
- 5.12 Hardcopies of the Statutory Notice were made available at both Cwm Glas Infants School and Coed Y Brain Primary School and displayed in the school foyers and on/in close proximity to the entrance gates. In addition, the school's internal communication network with parents and pupils was used to raise awareness of the process and publication of the Statutory Notice.
- 5.13 The objection period ran from Monday 8th January 2024 (a school day) and concluded at midnight on Monday 5th February 2024 to provide adequate time for response and conscientious consideration to any responses received.
- 5.14 No objections were received during the Objection Period.
- 5.15 Under Section 49 of the School Standards and Organisation (Wales) Act 2013 when objections have been received proposers must publish a summary of the statutory objections and the proposer's response to those objections ("the Objection Report").
- 5.16 As no statutory objections were received, there is no requirement to publish an Objection Report.
- 5.17 At its meeting of the 12th March 2024, the Education and Social Services Scrutiny Committee considered the information contained in the Objection Report and endorsed the recommendation to Cabinet, via vote, to proceed to full implementation.
- 5.18 Once Cabinet has made the final determination, a Decision Notice will be published electronically on the Sustainable Communities for Learning page on the Council's website. All consultees will be notified via email/letter and hard copies will be available on request.

5.19 Conclusion

Pursuant to the requirements of the School Organisation Code 2018, the formal statutory objection period has now concluded. No objections were received negating the requirement to produce an Objection Report in this instance. This report has been compiled to provide Members with the necessary information to make an informed decision as to the final determination on the proposal to close Cwm Glas Infants School with effect from 20th July 2024.

6. ASSUMPTIONS

- 6.1 No assumptions have been made in relation to this report as it merely updates on the progress of individual projects.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 An initial Integrated Impact Assessment (IIA) for this proposal was undertaken alongside the original Consultation Document forming part of the outline consultation pack which is published on the Council's website.
- 7.2 The Integrated Impact Assessment has been reviewed to include any additional elements highlighted through the statutory consultation process. The purpose of this further assessment is to take account of any further information that has come forward through the consultation or otherwise.

Original [Link to IIA](#)

Updated [Link to IIA](#)

8. FINANCIAL IMPLICATIONS

- 8.1 Under the School Funding (Wales) Regulations 2010, Individual school budgets are determined using a locally agreed funding formula in accordance with factors which are learner led.
- 8.2 Schools must be able to demonstrate via a financial action plan that the school will work to deliver a balanced budget.
- 8.3 The Council's Education Finance Team have been working closely with the school for a number of years, however, the Head Teacher and Governing Body have acknowledged that Cwm Glas Infants School is facing a significant financial deficit with pupil numbers projected to further decrease moving forward and are unable to demonstrate via a financial action plan their ability to reverse the deficit.

9. PERSONNEL IMPLICATIONS

- 9.1 This will be dependent on specific proposals and will be considered as part of the process.
- 9.2 The Council's Human Resources Team will work closely with all relevant parties to ensure that processes are adhered to, and support is provided as required.

10. CONSULTATIONS

10.1 School Organisation Code 2018 - Statutory Objection Report: Proposal for the closure of Cwm Glas Infants School

Members noted that there were no statutory objections received. A Member stated that the report advises that all pupils at Cwm Glas Infants could be accommodated at Coed y Brain Primary school which is an excellent school, therefore the children who will be transferring there will be well looked after.

Following the debate the recommendations were moved and second and supported by the majority present – 15 For and 1 Abstention

11. STATUTORY POWER

11.1 School Organisation Code 2018 (Welsh Government) School Standards and Organisation (Wales) Act 2013

Author: Andrea West, Place Shaping and Sustainable Communities for Learning
Service Manager

Consultees: Dave Street, Deputy Chief Executive
Richard Edmunds, Corporate Director of Education and Corporate Services
Mark S Williams, Corporate Director for Economy and Environment
Gareth Jenkins, Interim Director for Social Services
Councillor Carol Andrews, Cabinet Member for Education and Communities
Councillor Teresa Parry, Chair, Education and Social Services Scrutiny
Committee
Councillor Brenda Miles, Vice Chair Education and Social Services Scrutiny
Committee
Sue Richards, Head of Transformation, Education Planning and Strategy and
Place Shaping Programme Director
Steve Harris, Head of Financial Services and S151 Officer
Keri Cole, Chief Education Officer
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Sarah Mutch, Early Years Manager
Paul Warren, Strategic Lead for School Improvement
Jane Southcombe, Financial Services Manager
Lynne Donovan, Head of People Services
Rob Tranter, Head of Legal Service and Monitoring Officer
Ben Winstanley, Head of Land and Property Services
Steve Pugh, Corporate Communications Manager

Appendices:
None

Gadewir y dudalen hon yn wag yn fwriadol



CABINET - 3RD APRIL 2024

SUBJECT: POST 16, SINGLE SEX AND SURPLUS PLACES BOARD – FURTHER RECOMMENDATIONS TO CABINET

REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE SERVICES

1. PURPOSE OF REPORT

- 1.1 To seek Cabinet approval on two linked proposals that have been made by the Post 16, Single Sex and Surplus Places Board.
- 1.2 The proposals seek Cabinet agreement to undertake a formal consultation on the provision of Single Sex Education at Lewis School Pengam and Lewis Girls School as well as a proposal to address some long-standing issues of Surplus Places across Secondary School provision in the Upper Rhymney Valley area.

2. SUMMARY

- 2.1 The Post 16, Single Sex Surplus Places Board was set up in 2019 to develop recommendations for change that would be considered by Caerphilly's Cabinet.
- 2.2 The Board is made up of a wide range of stakeholders including Head Teachers, College Representatives, Scrutiny Members, Governor Representatives, TU Representatives, EAS representatives and Local Education Authority Officers.
- 2.3 The Board's initial work focused on the development of a set of proposals for a sustainable approach to 6th form provision across the whole of the County Borough.
- 2.4 The Upper Rhymney Valley (URV) Sixth Form Partnership and the Caerphilly Sixth Form Partnership were subsequently formed with schools working together to ensure as broad a curriculum could be offered to learners as sustainably as possible.
- 2.5 The Board has recently been reconvened to conclude its work by developing recommendations to Cabinet in respect of single sex provision across the Lewis Schools and reducing the level of surplus places, specifically across Secondary Schools within the Upper Rhymney Valley.
- 2.6 The Board met on the 31st January 2024 and the 6th February 2024. Members considered a presentation that built on the previously established informal consensus

on Single Sex provision and addressing surplus places, as well as providing additional information that the Local Authority had been tasked with establishing to aid decision-making.

- 2.7 At its meeting of the 6th February 2024, the Board voted unanimously in support of the proposals set out in 5.7(1), 5.7(2) and 5.18(1) of this report and asked that they be progressed through Scrutiny and onwards to Cabinet in accordance with the identified timeline.
- 2.8 The “Post 16, Single Sex and Surplus Places Board – Further Recommendations to Cabinet” report was considered by a special meeting of the Education and Social Services Scrutiny Committee on Wednesday 20th March 2024 as outlined in 10.1.

3. RECOMMENDATIONS

3.1 Cabinet Members are asked to:

- 1) Note the unanimous support from the Post 16, Single Sex and Surplus Places Board (the Board) on the proposals set out in within 5.7(1), 5.7(2) and 5.18(1) of this report.
- 2) Approve the recommendations to proceed to consultation as outlined in the report.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To update Cabinet on the recommendations from the Post 16, Single Sex and Surplus Places Board (the Board) on the proposals set out in 5.7(1), 5.7(2) and 5.18(1).
- 4.2 To gain Cabinet approval to progress to formal consultation in line with the statutory process prescribed by the School Organisation Code 2018.

5. THE REPORT

Single Sex Education

- 5.1 Through previous discussions in 2021, the Post 16, Single Sex and Surplus Places Board had reached an informal consensus that co-education would be the way forward in the Upper Rhymney Valley (URV).
- 5.2 Having gained Board consensus at that time, Local Education Authority (LEA) officers engaged directly with the four URV Secondary Head Teachers as educational experts to consider this position further.
- 5.3 The URV Head Teachers agreed the following wording to reflect their position on Single Sex provision as well as the potential benefit of moving toward co-education across the Lewis Schools:

“We explore ways in which families can be brought together and re-united and avoid the division that some experience when, due to the current arrangement of schools, children from the same family are split apart at age 11”.

5.4 At the Board Meeting of the 30th January 2024, Board Members received a presentation from the Corporate Director Education and Corporate Services.

5.5 The presentation:

- confirmed the previous position of the Board and the Upper Rhymney Valley Secondary Head Teachers on a move away from single sex provision;
- recognised the fact that the schools share the same catchment areas;
- highlighted the significant levels of surplus places at both Lewis Schools (circa 40% at each);
- highlighted the fact that these were the last two local authority-maintained schools providing single sex education in Wales

5.6 Having received the presentation, the Board were keen to afford time to both new and returning members to reflect on the information that had been provided and to raise any further questions prior to considering the proposal more formally. On this basis, the Board agreed to reconvene prior to the February half term to determine the single sex proposal.

5.7 This subsequent meeting took place on the 6th February 2024. At this meeting the Board once again received the presentation from the Corporate Director of Education and Corporate Services. Having done so and following a number of questions being dealt with by Officers, the Board resolved unanimously to support the following linked proposal, and for its onward consideration at Scrutiny and Cabinet:

The Council should formally consult stakeholders with a view to:

- (1) moving from Single Sex provision to co-education in the Upper Rhymney Valley
- (2) locating Lewis catchment pupils at the Lewis School Pengam site, while retaining the Lewis Girls School site to manage the transition over a number of years (minimising impact on exam pupils and enabling staff and pupils to be integrated over an appropriate timeframe)

5.8 Subject to Cabinet approval, this proposal will proceed to consultation in late early June 2024 and will follow the processes as outlined in the School Organisation Code 2018.

Surplus Places (Upper Rhymney Valley)

5.9 The Board had previously found informal consensus that on the basis of surplus places and demographics, the Council should consider moving from four secondary schools to three in the Upper Rhymney Valley (URV). However, at that stage, the Board did not make any suggestions in terms of that configuration.

5.10 Council officers once again engaged directly with the four URV Head Teachers as educational experts to consider this position further.

5.11 The Head Teachers agreed the following wording in respect of the surplus places position in the Upper Rhymney Valley:

“When considering current and projected demographics and the variable quality of the secondary school buildings it would seem appropriate to reduce the number of

secondary schools in the URV from four to three and consider the possibility of a new build in this revised configuration.”

- 5.12 Recognising the building condition at Lewis School Pengam combined with the building condition and recent investment at Idris Davies 3-18 School, the URV Heads asked that the Council:

“Commission survey works to identify the possibilities / constraints of a new build school being at Lewis Girls or Heolddu.”

- 5.13 During the intervening period, the Council has commissioned a range of external consultants to undertake detailed survey and initial design works at both the Lewis Girls School and Heolddu Comprehensive School both sites. The survey works undertaken by external consultants were as follows:

- BB98 building size and site constraints
- Intrusive Site Investigation Works
- Ecological Surveys
- Tree Surveys
- GPR Survey
- Topographical Survey

- 5.14 In addition to the physical survey works, work was also undertaken to gain further understanding into the following matters at each of the two potential sites:

- Historic ground investigation information
- Coal mining legacy information and existing Coal Mining Risk Assessments
- Space requirements for School build, site levels and topography
- Ancillary considerations such as existing Leisure and Sports facilities
- Number of playing fields required to serve increased pupil numbers
- Additional parking requirements for the extra teachers, etc.
- Impact of any development on highway safety and site access issues
- Potential impact of any Sites of Importance for Nature Conservation
- Impact of any Flood Zones on build

5.15 Survey Summary Findings – Lewis Girls School

5.15.1 The land available at the Lewis Girls site is at least 20% too small to accommodate a new co-ed school with this percentage likely to increase further as flood data was further analysed.

5.15.2 Due to the existing constraints of the site, the sports pitches for the new school would need to be located off site (with the nearest potential location at Ystrad Mynach park).

5.15.3 There are a number of service constraints and Flood zones that impact the sites' use with regard Welsh Governments Technical Advice Note (TAN) 15.

5.15.4 Concerns over 'highway' access were also identified given the existing challenges at the site and the adverse impact that a significant increase in pupil numbers would bring.

5.15.5 An additional challenge would exist were a new school to be built at the Lewis Girls site, in that pupils would need to be accommodated elsewhere while the school was being built and then moved back once the new school was open.

5.16 Survey Summary Outcomes – Heolddu

5.16.1 The Heolddu site would be sufficient to accommodate a new school with improved external leisure facilities including a new 3G pitch.

5.16.2 The survey works that had been undertaken had not identified any challenges in respect of a build at the proposed location.

5.16.3 As the new school would potentially be built across the road from the current location, pupils would be able to continue to attend the existing Heolddu Comprehensive building for the duration of the build and would not need to be transferred elsewhere.

5.17 Having received the presentation and the survey information set out above, the Board again recognised the importance of affording time to both new and returning members to reflect on the information provided and to raise any further questions prior to formal consideration of the surplus places proposal.

5.18 The surplus places proposal was then considered at the meeting of the Board of the 6th February 2024. At this meeting the Board once again received the presentation from the Corporate Director of Education and Corporate Services. Having done so and following a number of questions being dealt with by Officers, the Board resolved unanimously to support the following linked proposal, and for its onward consideration at Scrutiny, Cabinet and Welsh Government:

The Council should formally consult stakeholders with a view to:

- (1) developing a new secondary school on the site adjacent to the existing Heolddu School and consider upgrading the existing Leisure Facilities to serve the school and the surrounding community

5.19 In order to progress this proposal, as well as seeking Cabinet approval to consult, additional reports to Cabinet will be required along with the approval of a Full Business Case by Welsh Government as well as any relevant planning and drainage approvals.

5.20 **Conclusion**

5.21 Having previously recommended to Cabinet some proposals on ensuring a sustainable future for Post 16 provision in Caerphilly, the Post 16, Single Sex and Surplus Places Board has turned its attention to the remaining matters of Single Sex and Surplus Places.

5.22 Having reached an informal consensus on both issues previously, following some detailed survey works, the Board has now reached a position where it has formally and unanimously supported a number of proposals to Cabinet for consideration with the views of the Scrutiny Committee having already been sought.

6. ASSUMPTIONS

- 6.1 None.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 Not required at this stage in the process. A full Integrated Impact Assessment will be completed at the relevant stage in the process.

8. FINANCIAL IMPLICATIONS

- 8.1 None at this stage. The report seeks approval from Cabinet to move to formal consultation and it will not be until the consultation has concluded that a decision on next steps, and therefore costs, can be made.
- 8.2 There will be further reports to Scrutiny and Cabinet as next steps are determined and any further proposals are developed.

9. PERSONNEL IMPLICATIONS

- 9.1 This will be dependent on specific proposals that will be taken forward albeit the Trade Unions have been briefed and will continue to be briefed as the consultations progress.

10. CONSULTATIONS

- 10.1 The "Post 16, Single Sex and Surplus Places Board – Further Recommendations to Cabinet" report was considered by a special meeting of the Education and Social Services Scrutiny Committee on Wednesday 20th March 2024.

One Member asked if consultation would extend to parents and pupils yet to attend Lewis School Pengam and Lewis Girls School, but who planned to do so for secondary education. The Place Shaping and Sustainable Communities for Learning Service Manager advised that the year 5 and 6 parents and pupils attending feeder schools within the catchment area would be consulted if the recommendations were accepted. The Member enquired about staff implications if the proposal on single sex provision went ahead. The Corporate Director of Education and Corporate Services outlined that HR consultations would take place if the proposal should progress, but at this stage support was being sought purely on going out for initial consultation on the recommendations. The Member asked if the proposal was motivated by a drop in birth rates. The Chief Education Officer advised that the main driving force was quality of education and the well-being of pupils and she highlighted that currently pupils are separated at the age of eleven from friends and family. Members heard about surplus places at both Lewis schools which was linked to the recommendations under discussion. The meeting was advised that surplus places were currently circa 40% at both schools.

A Member asked about future transportation costs for pupils if the recommendations were accepted. The Head of Education Planning and Strategy and Place Shaping Programme Director highlighted to Members that both schools shared the same

catchment area and that whilst a significant increase in transportation costs was not anticipated, that level of detail had not been assessed at this stage of the proposal.

The Headteacher of Lewis School Pengam (Mr Chris Parry) outlined to Members the process which had been followed to reach the current stage. The four headteachers of the secondary schools in the Upper Rhymney Valley had been part of discussions for four years.

The Chair raised the transition period designed to minimise impact on exam pupils and allow staff/pupil integration and asked how long this period was likely to be in place. The Headteacher of Lewis School Pengam outlined the level of collaboration between both schools which was already taking place at sixth-form level. Members heard how an appraisal on the length of time needed for transition would emerge after continuing discussions between the two schools. This was likely to be a number of years in the first instance. The Chief Education Officer also stressed the importance of staff well-being as part of any future consultation. The Chair asked about the future of the Lewis Girls School site if the plans to locate Lewis catchment pupils at the Lewis School Pengam site went ahead. The Corporate Director of Education and Corporate Services advised that there were a number of options and highlighted the significance of community consultation on any future plans. The meeting heard about health facility challenges in Ystrad Mynach.

One Member asked about the continuous professional development and training for staff if they moved from single sex provision to co-education. The Chief Education Officer provided assurances that this would be a priority should the proposal progress. The Headteacher of Lewis School Pengam advised that the majority of staff had backgrounds in co-education schools.

A Member enquired about the provision for ALN pupils in plans for a new secondary school at Heolddu. The Head of Education Planning and Strategy and Place Shaping Programme Director provided assurances that ALN provision would be a key part of any future plans and highlighted that a full business case would have to be provided in order to obtain Welsh Government funding at the relevant time.

The Chair asked if any modification was needed at Lewis School Pengam if it moved from single sex provision to co-education. The Headteacher of Lewis School Pengam highlighted that there was sufficient capacity, the building was in good condition as it had only been built in 2004 and that co-education toilet facilities were already in place. Therefore, minimal modification would be required if the recommendations were accepted.

11. STATUTORY POWER

11.1 School Organisation Code 2018 (Welsh Government) School Standards and Organisation (Wales) Act 2013

Author: Richard Edmunds, Corporate Director of Education and Corporate Services

Consultees: Dave Street, Deputy Chief Executive
Mark S Williams, Corporate Director for Economy and Environment
Gareth Jenkins, Interim Director for Social Services
Councillor Carol Andrews, Cabinet Member for Education and Communities
Sue Richards, Head of Education Planning and Strategy and Place Shaping

Programme Director
Andrea West, Place Shaping and Sustainable Communities for Learning
Service Manager
Steve Harris, Head of Financial Services and S151 Officer
Keri Cole, Chief Education Officer
Sarah Ellis, Lead for Inclusion and ALN
Sarah Mutch, Early Years Manager
Paul Warren, Strategic Lead for School Improvement
Jane Southcombe, Financial Services Manager
Lynne Donovan, Head of People Services
Rob Tranter, Head of Legal Services and Monitoring Officer
Ben Winstanley, Head of Land and Property Services
Steve Pugh, Corporate Communications Manager

Background Papers:
None



CABINET – 3RD APRIL 2024

**SUBJECT: UK GOVERNMENT SHARED PROSPERITY FUND –
VIREMENTS AND PROJECT APPROVALS**

**REPORT BY: CORPORATE DIRECTOR FOR ECONOMY AND
ENVIRONMENT**

1. PURPOSE OF REPORT

- 1.1 To update Cabinet on the delivery of the UK Shared Prosperity Fund (SPF).
- 1.2 To provide feedback to Cabinet on the effectiveness of the SPF Programme Board in providing executive leadership to the delivery of the Local Investment Plan under the UK Government's Shared Prosperity Fund as part of the UK wide Levelling Up programme.
- 1.3 To seek Cabinet approval for 2 proposed funding virements in respect of the following interventions due to their significant value:
 - W03 Cleaner and Greener - £995,000
 - W24 Retrofit Hub, Coleg Y Cymoedd - £1,000,000

2. SUMMARY

- 2.1 The UK Shared Prosperity Fund (UKSPF) is a central pillar of the UK government's ambitious Levelling Up agenda and a significant component of its support for places across the UK. It provides £2.6 billion of new funding for local investment by March 2025, with all areas of the UK receiving an allocation from the Fund via a funding formula.
- 2.2 The UKSPF is intended to support the UK government's wider commitment to level up all parts of the UK by delivering on each of the levelling up objectives. The primary goal of the UKSPF is to build pride in place and increase life chances across the UK.
- 2.3 Underneath the overarching aim of building pride in place and increasing life chances, there are three UKSPF investment priorities: Communities and Place; Supporting Local Business; and People and Skills. Caerphilly County Borough has an allocation of £28,272,298, and an allocation of £5,901,499 for *Multiply (*UK Gov Adult numeracy programme).

- 2.4 The programme carries a significant budgetary challenge with the current resources that are available and there is a requirement to ensure there are appropriate and adequate levels of evidence collection, monitoring and retention of records for external evaluation and audit requirements. The Local Investment Programme currently consists of over seventy projects with Project Leads primarily drawn from existing staff resources, creating additional workload challenges.
- 2.5 In order to ensure that the Council maximises the funding, output and outcome opportunities, in line with financial regulations, the SPF Programme Board was given delegated powers by Cabinet in September 2023, to allow it to agree to changes to the project budgets, facilitating funding virements across the programme; including between Investment Pillars, and from Revenue to Capital allocation of project budgets, up to a value of £1M per project change.
- 2.6 Notwithstanding these delegated powers Cabinet approval is being sought for 2 proposed funding virements due to their significant value as follows as outlined and agreed at Cabinet in September 2023:
- W03 Cleaner and Greener - £995,000
 - W24 Retrofit Hub, Coleg Y Cymoedd - £1,000,000

3. RECOMMENDATIONS

- 3.1 That Cabinet:
- (i) Note the progress made on the delivery of SPF; and
 - (ii) Approve 2 proposed funding virements in respect of the following interventions:
 - W03 Cleaner and Greener - £995,000
 - W24 Retrofit Hub, Coleg Y Cymoedd - £1,000,000
 - (iii) Authorise officers to develop a funding agreement with Coleg Y Cymoedd to support the transfer of grant funds as determined in recommendation (ii)

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that Cabinet is aware of the extent of the delivery of the UK Shared Prosperity Fund (SPF) for the benefits of its citizens and communities.
- 4.2 To ensure the Cabinet has appropriate oversight of the proposed funding virements due to their significant value to comply with governance requirements.

5. THE REPORT

- 5.1 The UK Shared Prosperity Fund (UKSPF) is a central pillar of the UK government's ambitious Levelling Up agenda and a significant component of its support for places across the UK. It provides £2.6 billion of new funding for local investment between 2022-2025, with all areas of the UK receiving an allocation from the fund via a funding formula rather than a competition.
- 5.2 The UKSPF is intended to support the UK government's wider commitment to level up all parts of the UK by delivering on each of the levelling up objectives to:

- Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging.
- Spread opportunities and improve public services, especially in those places where they are weakest.
- Restore a sense of community, local pride and belonging, especially in those places where they have been-lost.
- Empower local leaders and communities, especially in those places lacking local agency.

The primary goal of the UKSPF is to; improve local pride in place; increase life chances; spread and create opportunity, enhance sense of community and belonging, across the UK.

5.3 Underneath the overarching primary goal, there are three UKSPF investment priorities: **Communities and Place**; **Supporting Local Business**; and **People and Skills**.

- The **Communities and Place** investment priority will enable places to invest to restore their community spaces and relationships and create the foundations for economic development at the neighbourhood-level. The intention of this is to strengthen the social fabric of communities, supporting in building pride in place.
- The **Supporting Local Business** investment priority will enable places to fund interventions that support local businesses to thrive, innovate and grow.
- The **People and Skills** investment priority can provide funding to help reduce the barriers people face to employment and support them to move towards employment and education. This theme can also target funding into skills for local areas to support employment and local growth.

5.4 Within the context of the fund aims, each place will have the flexibility to invest across a range of activities that represent the right solutions to improve local pride in place, increase life chances, to help spread and create opportunity, and a sense of community and belonging. The balance of priorities should reflect local need and opportunity. This flexible approach represents a key shift from the previous EU system.

5.5 Funding for the SPF Programme is allocated on an annual basis and is subject to an annual Grant Determination Approval from the UK Government in line with the original three-year allocation. Any potential underspends from 2023-24 (Year 2) to 2024-25 (Year 3) will be subject to RCT submitting a Credible Plan for the region to the UK Government. The Credible Plan will need to clearly outline, how the authorities within the region, can ensure that spend will occur within the time limit of the programme. The SPF programme prospectus is clear that the funding programme ends in March 2025.

5.6 The quantum of funding increases significantly from the period 2023-24 (Year 2) to 2024-25 (Year 3) with Caerphilly's overall allocation increasing from £8.9M to £20.3M (including Multiply allocations) and a carry forward of £3.09M of underspend from the period 2022-23 (Year 1) to 2023-24 (Year 2).

5.7 In January 2023, CCBC established a Shared Prosperity Fund Programme Board (the Board), to provide executive leadership and oversight of the delivery of the projects within the Local Investment Plan. As part of the Board's Terms of Reference, it was

determined that the Board will provide regular progress updates on the delivery of the Local Investment Plan for Cabinet.

- 5.8 The Board meets monthly with an intervening meeting arranged fortnightly. The Board has extended an open invite to the whole Cabinet to attend the Board Meetings as they deem fit to ensure Cabinet Members are fully sighted on delivery progress.
- 5.9 Good progress has been made in terms of mobilising a number of the projects identified in the Local Investment Plan. Consequently, officers were able to submit a claim at the end of the first year of the programme for the period 2022-23 of £2.041M against an effective allocated 2022-23 budget of £5.131M, allowing for contributions to RCT for their administrative role as lead authority.

Table 1: First Year Claim

Investment Pillar	Spend	Budget
Communities and Place	£625,511.86	£1,514,083.39
Local Business	£1,201,722.80	£1,397,760.00
People and Skills	£128,330.83	£382,016.79
Multiply	£82,827.16	£1,712,807.31
Management and Administration	£3,345.84	£125,166.69
Total	£2,041,738.49	£5,131,834.18

- 5.10 Delivery of the programme is now moving in to its third year (Year 3 - 2024/25), with increasing pressures put on services, partnerships, and collaboration arrangements, to ensure funding opportunities are maximised, and not lost, and that extended benefits continue to be available and delivered to our communities. Good progress on delivery has continued in Year 2 of the programme. Although officers have experienced significant challenges on a number of projects due to internal resource constraints.
- 5.11 At Q3 total claims submitted to RCT for the period 2023/24 amounted to £3,832,871 with 60% of this amount claimed in Quarter 3 against an effective allocated budget of £11,714,951 for 2023/24.

Table 2: Monitoring of Year 2 Spend as at Q3 2024/25

Investment Pillar	Spend	Budget
Communities and Place	£607,180.84	£2,709,768.06
Local Business	£895,304.05	£3,235,151.31
People and Skills	£1,638,181.31	£3,360,862.94
Multiply	£581,587.51	£2,176,315.17
Multiply Administration	£8,710.09	£56,478.88
Core Management and Administration	£101,908.14	£176,374.93
Total	£3,832,871.94	£11,714,951.29

- 5.12 Due to the programme start delay incurred in 2022-23, across all Welsh Authorities, it was identified, that certain outputs and outcomes for Multiply, were not likely to be achieved in Year 1. It was therefore agreed that this allocation would be carried forward

to 2023-24 (Year 2 of the programme) and either kept within the 2023-24 Multiply allocation or transferred to People and Skills interventions.

- 5.13 The ringfencing of unallocated and underspent budgets from the Multiply Investment Pillar in 2022-23, to the People and Skills Investment Pillar, has led to an increase in funding being available and allocated to certain regional and local intervention projects for the fiscal year 2023-24.
- 5.14 Delays in establishing a framework for regional commissioning (initiated by Torfaen CBC), together with the challenges faced in transferring ESF funded staff and recruiting staff to deliver against a range of People and Skills Interventions, has led the Board to identify a financial and delivery risk for a number of projects under this particular Investment Pillar and a risk to achieving the associated outputs and outcomes for the benefit of the local community.
- 5.15 In order to ensure that the Council maximises the funding, output and outcome opportunities, in line with financial regulations, the SPF Programme Board was given delegated powers in September 2023 to allow it to agree to changes to the project budgets, facilitating funding virements across the programme; including between Investment Pillars, and from Revenue to Capital allocation of project budgets, up to a value of £1M per project change.
- 5.16 The SPF Programme Board has identified a number of new projects that could benefit from this programme, which could be considered alongside existing projects that are either oversubscribed or may require a change to their funding. Consequently the SPF Programme Monitoring Team have prepared a 'project pipeline template' to establish the cost and extent of new and existing projects that can deliver additional outputs and outcomes, if virement of funds occurs from existing project budget allocations. All projects are considered by the Board prior to any funding being allocated for their delivery. Any virements agreed by the Board are subject to the Material Change thresholds of the SPF Programme, as laid out in the UK Government prospectus.
- 5.17 There are 2 new significant projects that the Board have considered that they would like to support, **subject to sufficient funding being released from other projects across the Programme**, these are:

Ref:	Project	Lead	Funding requirement
W03	Cleaner and Greener	CCBC	£995,000 Revenue
W24	Retrofit Hub,	Coleg Y Cymoedd	£1,000,000 Capital

Note: the funding for these projects has not yet been identified for release. Actual spend on the Cleaner and Greener project will be dependent upon the timing of the release of funding.

Cleaner and Greener

- 5.18 This project aims to enhance and improve the Street scene of the most popular spaces in our communities for the benefit of those who live, work, or visit in the county borough. These improvements are over and above minimum and statutory service levels with a view to promoting well-being. Good quality surroundings enable people to feel safe and secure, use facilities and services and socialise. These factors support good physical and mental health and well-being.

SPF Project Score

Fits with Intervention	External Funding Leverage	Resources to deliver project	Can deliver outputs	Meets a Corporate Objective	Is there additionality to impact	Project Plan Developed	Overall Score Check
Yes	Yes	Yes	Yes	Yes	Yes	Yes	100%

The project fits with the following Corporate Priorities:

- **Objective 2 - Enabling Our Residents to Thrive**
- **Objective 3 - Enabling Our Communities to Thrive**
- **Objective 4 - Enabling Our Economy to Grow**
- **Objective 5 - Enabling Our Environment to be Greener**

Retrofit Hub

- 5.19 This project aims to contribute to the provision of a training hub at Coleg y Cymoedd, Ystrad Mynach Campus, to provide housing providers (including Caerphilly Homes) with the skills necessary to retrofit residential properties to meet the commitment to make all homes net zero by 2050. The new training hub will also serve to bring a currently underused property on Campus back into beneficial use.
- 5.20 There is a shortage of available skilled staff in the construction sector within the Council's workforce to support the decarbonisation of current and new residential properties. The Retrofit project will support a collaborative approach to developing the skills required to meet both industry requirements and the Councils house building plans.
- 5.21 Caerphilly Homes are exploring opportunities with Coleg Y Cymoedd to ensure that the retrofit and decarbonisation elements of the WHQS23 programme benefit directly from the proposed investment. This will include opportunities to upskill the existing workforce and ensure that the capacity and the expertise is available to inform workforce development.
- 5.22 The Caerphilly Affordable Homes Partnership (comprising all social housing providers operating within Caerphilly) will also directly benefit from the investment in the 'retrofit' centre. All social housing providers in Wales are mandated to retrofit their existing stock to ensure compliance with WHQS23. There is an urgent requirement for suitably qualified and registered surveyors to survey homes, provide individual target energy pathways, undertake EPC assessments and provide recommendations as to how affordable homes can achieve greater air tightness, ventilation and energy efficiency. The capacity does not exist currently within south Wales to deliver against these statutory requirements hence any investment in a centre of expertise locally is welcomed.

SPF Project Score

Fits with Intervention	External Funding Leverage	Resources to deliver project	Can deliver outputs	Meets a Corporate Objective	Is there additionality to impact	Project Plan Developed	Overall Score Check
Yes	Yes	Yes	Yes	Yes	Yes	Yes	100%

The project fits with the following Corporate Priorities:

- **Objective 2 - Enabling Our Residents to Thrive**
- **Objective 4 - Enabling Our Economy to Grow**
- **Objective 5 - Enabling Our Environment to be Greener**

- 5.23 Given the significant value of the proposed virements the Board has taken the view that Cabinet approval should be sought to ensure appropriate oversight and governance of both projects.
- 5.24 RCT have communicated to Local Authorities, that if an authority wants to change project budgets within an Investment Pillar, either within an intervention, or between interventions, then this would be a decision for each authority in line with the SLA Funding Agreement. However, if there is a requirement to move project budgets between an Investment Pillar, for example, from Communities and Place to Supporting Local Business, then RCT need to be notified as there is potential for changes across the region to trigger a 'material change' which is set as a de minimis level of £5M and which would require UK Government approval.
- 5.25 Legal advice from RCT's external legal advisors is that any financial assistance agreed is likely to be considered a subsidy and must be awarded in accordance with the subsidy control principles of the Subsidy Control Act 2022. It is likely that Coleg y Cymoedd, will need to support the Council to carry out an assessment of the project against the subsidy control principles in order to obtain funding from any other public body that it is seeking grants or non-market rate loans from to ensure any financial assistance provided by the Council will be compliant with the subsidy control regime.
- 5.26 If approved, any funding provided as part of the SPF Programme to Coleg y Cymoedd would need to be subject to a comprehensive Funding Agreement between the Council and Coleg Y Cymoedd.
- 5.27 Coleg y Cymoedd have engaged consultants to develop the project and an indicative feasibility programme has been attached as Appendix 1.

Conclusion

- 5.28 The UK Shared Prosperity Fund (UKSPF) is a central pillar of the UK Government's ambitious Levelling Up agenda and a significant component of its support for places across the UK. It provides £2.6 billion of new funding for local investment by March 2025. This funding provides a significant but challenging opportunity for the region, and to ensure delivery of the most effective outcomes and outputs for the residents, stakeholders and communities of Caerphilly county borough, flexibility, for effective and timely decision making and leadership, is essential within the constraints of a compressed programme timetable.

6. ASSUMPTIONS

- 6.1 Delivery of the programme is in its third year (Year 3), with increasing pressures put on services, partnerships, and collaboration arrangements, to ensure funding opportunities are maximised, and not lost, and that extended benefits continues to be available and delivered to our communities.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

7.1 Projects will seek to improve the economic, social, and cultural well-being of the community and leave a lasting positive impact. The SPF Programme has developed interventions and outputs that respond to local issues, this is intended to:

- Boost productivity, pay, jobs and living standards by growing the private sector.
- Spread opportunities and improve public services.
- Restore a sense of community, local pride and belonging, especially in those places where they have been-lost.

Link to IIA

8. FINANCIAL IMPLICATIONS

8.1 There is a financial risk of underspending the authority's funding allocation (which is currently set at £34.17M over 3 years), if funding is not appropriately allocated, spent, and accounted for by March 2025. Within this funding, up to 4% of the allocation may be allocated and spent on administration. 40% of which, is payable to RCT as the Lead Authority.

8.2 The fund supports investment in interventions that started from 1 April 2022 through to March 2025.

8.3 Including the 2022/23 carry forward underspend, CCBC's allocation is £11,714,951 for 23/24 and £19,405,844 for the financial year 2024/25 across all four pillars.

8.4 The SPF Board have an agreed process to identify underspends across the SPF programme for virements which is subject to RCT's change request process and the Material Change thresholds identified in the UK Shared Prosperity Programme prospectus.

8.5 Further UK Government approval is awaited in respect of all unallocated and unspent funding from 2023-24 to be carried-forward into 2024-25.

9. PERSONNEL IMPLICATIONS

9.1 This programme is significant and challenging in terms of delivery and is placing additional pressure on those service areas engaged in the programme, to provide the necessary staff support, in particular, Regeneration and Finance. A small team is already in place to support the administration and monitoring requirements of the programme, with further fixed term appointments to cover engagement, evaluation, and financial administration, to support the extensive compliance requirements of this programme. These posts are funded from the UKSPF programme accordingly.

10. CONSULTATIONS

10.1 Consultation responses have been included in this report.

11. STATUTORY POWER

11.1 Local Government Acts 1972 and 2000, Local Government (Wales) Measure 2011 and the Local Government and Elections Act 2021.

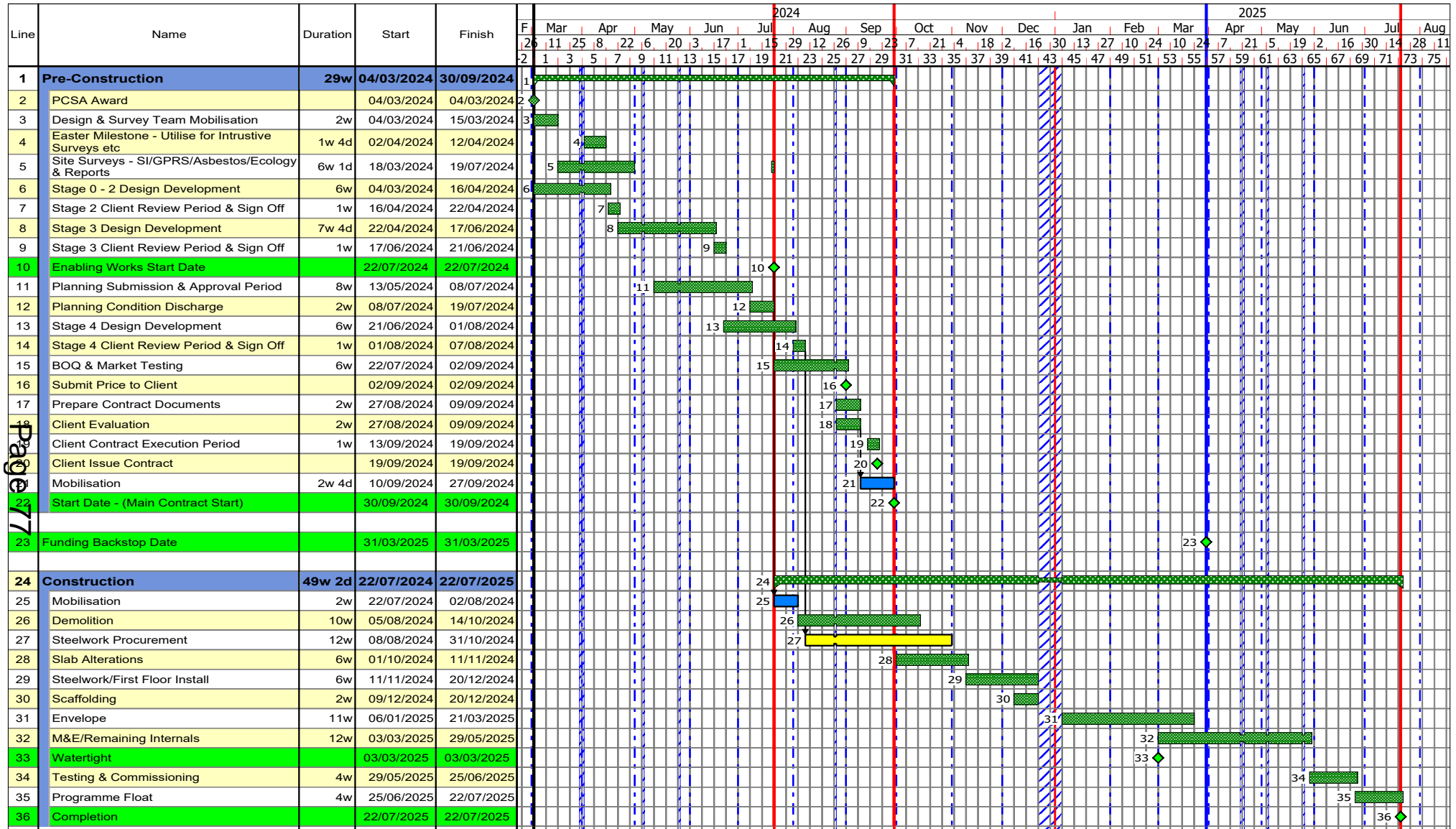
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Mark S. Williams, Corporate Director for Economy and Environment.
Richard Edmunds, Corporate Director of Education and Corporate Services.
Gareth Jenkins, Interim Director of Social Services.
Cllr. Sean Morgan, Leader of Council.
Cllr. James Pritchard, Deputy Leader and Cabinet Member for Prosperity, Regeneration and Climate Change.
Cllr. Eluned Stenner, Cabinet Member for Finance and Performance and Chair of the CCBC SPF Programme Board.
Cllr. Chris Morgan, Cabinet Member for Waste, Leisure and Green Spaces.
Cllr. Nigel George, Cabinet Member for Corporate Services, Property and Highways.
Cllr. Whitcombe, Chair of Housing and Environment Scrutiny Committee
Cllr. Shane Williams, Vice Chair Housing and Environment Scrutiny Committee,
Cllr. Gary Johnston, Chair of Corporate and Regeneration Scrutiny
Cllr. Amanda McConnell, Vice Chair of Corporate and Regeneration Scrutiny
Stephen Harris, Head of Financial Services and Section 151 Officer.
Liz Lucas, Head of Customer and Digital Services.
Robert Tranter, Head of Legal Services/Monitoring Officer.
Lynne Donovan, Head of People Services.
Keri Cole, Chief Education Officer.
Sue Richards, Head of Education Planning and Strategy, Transformation and Strategy
Jane Roberts-Waite Head of Strategy and Development.
Nick Taylor Williams, Head of Housing.
Tina McMahon, Caerphilly Cares Manager.
Marcus Lloyd, Head of Infrastructure.
Ben Winstanley, Head of Land and Property Services.
Rob Hartshorn, Head of Public Protection, Community and Leisure Services.
Rhian Kyte, Head of Regeneration and Planning.
Louise Aston, Team Leader, Employability Programmes.
Allan Dallimore, Regeneration Services Manager.
Anwen Cullinane, Senior Policy Officer, Equalities and Welsh Language.
Ian Raymond, Principal Project Officer.
Dave Roberts, Principal Group Accountant.

Appendices:

Appendix 1 – H Block – Indicative Feasibility Programme (Draft)

Gadewir y dudalen hon yn wag yn fwriadol



Milestone Appearances

◇ Start Milestone

Programme Issue Date:		Programme Revision & Date:	Rev: Rev # 18/01/2024
Drawn by:	NB	Page Number:	1 of 1
		Programme Reference:	Prog #

Gadewir y dudalen hon yn wag yn fwiadol



CABINET - 3RD APRIL 2024

SUBJECT: CAERPHILLY FFOS CAERFFILI – WEFO FUNDING UPDATE

REPORT BY: CORPORATE DIRECTOR FOR ECONOMY AND ENVIRONMENT



1. PURPOSE OF REPORT

- 1.1 To update Cabinet on the submission to Welsh European Funding Office (WEFO) for funding towards the implementation of the Ffos Caerffili containerised market scheme and to recommend that the Council core reserves freed up by this process are reinvested into the Caerphilly Town 2035 programme.

2. SUMMARY

- 2.1 Caerphilly town centre is an established tourism destination, has excellent connectivity to Cardiff and the wider region and is a gateway to the County Borough from the south. The town is designated by Welsh Government (WG) as a town of strategic importance and in 2019 in recognition of this, CCBC identified a need for a placemaking plan to harness and focus this investment in a coherent manner. This placemaking plan, branded “Caerphilly Town 2035”, provides a bold vision for the town centre and identifies a series of projects/interventions that will help to achieve its goals over a 15-year period. The vision is ambitious and long term and includes a number of “corner stone” projects that have the potential to transform Caerphilly town centre and the role it performs in the Cardiff Capital Region. One of these projects is the redevelopment of the council owned Park Lane site for a containerised market, branded Ffos Caerffili.
- 2.2 The purpose of this report is to update Cabinet on the recent WEFO ERDF submission to deliver a modern containerised market. It also gives detail of the award made by WEFO, and specifically references the text in the business case which suggested that the committed Council contribution that would be freed is re-invested into Caerphilly Town 2035 projects to allow the momentum already gained on this wide programme of projects to continue.

3. RECOMMENDATIONS

- 3.1 Cabinet is requested to:
 - 3.1.1 Acknowledge that the WEFO submission has been successful.

- 3.1.2 Acknowledge that up to £2m will be drawn down from WEFO for the project, releasing initial core contributions from both CCBC and WG Regeneration.
- 3.1.3 Approve the use of the released CCBC element, which could stand at £1.1m, to be reinvested into the Caerphilly Town 2035 programme.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure the continued delivery of the Caerphilly Town 2035 programme, and to comply with the submitted WEFO Business Plan for the Ffos Caerffili project.

5. THE REPORT

- 5.1 Caerphilly town centre is an established tourism destination, has excellent connectivity to Cardiff and the wider region and is a gateway to the County Borough from the south. The town is designated by Welsh Government (WG) as a town of strategic importance and in 2019 in recognition of this, CCBC identified a need for a placemaking plan to harness and focus this investment in a coherent manner. This placemaking plan, branded “Caerphilly Town 2035”, provides a bold vision for the town centre and identifies a series of projects/interventions that will help to achieve its goals over a 15-year period. The vision is ambitious and long term and includes a number of “corner stone” projects that have the potential to transform Caerphilly town centre and the role it performs in the Cardiff Capital Region. Caerphilly Town 2035 sets out a bold and comprehensive transformation of the town that will create an environment that meets the aspirations of the people of Caerphilly. The aims of the Plan are particularly relevant in the context of the recent dramatic global, national and regional challenges to the role and purpose of town centres as a result of the COVID 19 pandemic.
- 5.2 One of these cornerstone projects is the redevelopment of the council owned Park Lane site for a modern dynamic market. This site that holds a commanding position in the heart of the town centre, overlooking the castle and its southern moat is the first cornerstone project to reach delivery status, the new Park Lane market is leading the way in terms of physical regeneration in the town. This project delivers on at least 6 of the plan’s core ambitions and is key in establishing Caerphilly as a vibrant modern town in which to invest.
- 5.3 The need for a new Market was identified following the closure of the Market Hall on Pentrebane Street. Further to the preparation of a site options appraisal for a market by the multi-disciplinary consultants, the Council-owned Park Lane site was identified as the most appropriate location for its development. This facility will replace the now closed Market Hall in Pentrebane Street, which was aged and in a very poor physical condition and will add a strong new vibrant food and beverage offer to the town, as well as providing much needed smaller incubator units for businesses to establish themselves.
- 5.4 The new market will provide modified “shipping” containers in a high-quality environment for up to 28 new traders, including food and beverage, and additional space for some managed workspace. PV panels will be provided along with grass roofs and two electric vehicle charging points in the traders’ car park.
- 5.5 The use of re-focussed “shipping” containers was a deliberate choice to create a modern feel to the town to attract a wider audience. It is also a more sustainable, durable, recyclable and economic alternative to traditional building methods.

- 5.6 Once completed the Council will own the market. The Business model accommodates the appointment of an experienced Market Operator through an open and transparent procurement process, which has been undertaken and concluded during the period of construction of the market. The Operator will be responsible for the management of the market, with tasks including but not exclusive to attracting traders to the Market and, overseeing staff costs, site security, managing the general upkeep and maintenance of the facility and having responsibility for marketing the premises. The Operational Management Agreement is initially for the first three years to provide support for the establishment of the Market. Following this period, the Market Operator will be appointed under a lease for a longer period (circa 10 years) to enable longer term planning, promotion and development of the Market.
- 5.7 The costs of providing these management services will be financed from the gross rental income achieved from the development. This will ensure that the Market is maintained and repaired to a high standard during the lifetime of the project.
- 5.8 The project has an approved funding profile as outlined in the table below. There has been some 'project spend creep' due to some unforeseen drainage works which is envisaged will be covered through the Shared Prosperity Fund (SPF) and Welsh Government (WG) Transforming Towns funding.

TABLE 1 - Initial Funding Package

	£
WG Transforming Towns Grant	2,090,000
WG Transforming Towns Loan	600,000
CCBC Core budget	1,250,000
UK SPF	910,000
ERDF	
Total Project Cost	4,850,000

- 5.9 In the Autumn of 2023 WEFO put a call out to local authorities to determine if they were in a position to utilise ERDF Sites and Premises monies, as this programme measure was under-subscribed.
- 5.10 After positive dialogue with WEFO on the containerised market, CCBC submitted a full business case and delivery profile which outlined the following funding breakdown.

TABLE 2 – Proposed Funding Package

	WEFO Delivery Profile £
WG Transforming Towns Grant	1,190,000
WG Transforming Towns Loan	600,000
CCBC Core budget	150,000
UK SPF	910,000
ERDF	2,000,000
Total Project Cost	4,850,000

- 5.11 As outlined above, the ERDF business plan submission is for £2,000,000 which represents 41% of the project total. Costs incurred past 31st December 2023 have been deemed ineligible.
- 5.12 This submission has now been approved by WEFO and officers are liaising with them in order to present one full and final claim to draw down the funding.
- 5.13 WG Regeneration have insisted that any funding secured be used to unlock both CCBC and WG Transforming Towns (TT) current contributions. Effectively £1.1m will be used to reduce the CCBC core contribution to £150,000 whilst WG Transforming Towns contribution will reduce from £2,090,000 to £1,190,000.
- 5.14 The Council are making claims to WG under the TT programme against the project spend to date. This will continue until payment is made by WEFO against our claim. At that point monies drawn down from WG TT will be released back to WG Regeneration. A mechanism to allow this has been discussed and agreed with WG and CCBC Finance.
- 5.15 Whilst developing the business plan, there has been an ongoing iterative dialogue with colleagues in WEFO and WG. Throughout these discussions, the principal rationale for submitting a business case for a project that is already fully funded has been to add value to the wider regeneration goals of Caerphilly Town 2035. There has been an acknowledgement by all parties throughout the discussions that the £2m of WG and CCBC funding effectively freed up could be earmarked for reinvestment into Caerphilly Town 2035 projects by both CCBC and WG. The following extract from the business plan submission distils this conversation:
- “Should this option proceed, the CCBC core funding provision will be re-invested into the wider Caerphilly Town 2035 Placemaking Plan intervention, ensuring that the momentum of the operational investment is maintained. The money will be used to help achieve the eight wider investment objectives as set out earlier in the Executive Summary”***
- 5.16 Officers feel that Cabinet should be sighted on the fact that the business plan submission to WEFO indicates that the £1.1m being released by CCBC could be re-invested into the Caerphilly Town 2035 programme. Likewise, WG Regeneration will be doing the same. This will ensure that the momentum in achieving the key goals of Caerphilly Town 2035 continues at pace and that traction on project delivery continues.
- 5.17 This needs to be considered in the context of the work currently being undertaken as part of the place-shaping programme of Mobilising Team Caerphilly. It is important that the Placeshaping Board recognise that the funding received from WEFO will replace core funding already agreed by the council which could now be ringfenced specifically for remaining Caerphilly Town 2035 projects thus minimising future calls on the council capital programme for Caerphilly 2035 in the short term.
- 5.18 In order to comply with any future audit on the grant award that WEFO may undertake, it is imperative that the Council has in place a clear governance trail which shows that the Council has accepted the terms of the grant award and is comfortable to ringfence the freed-up monies to add value to the Caerphilly Town 2035 programme. It is anticipated that this will also give the confidence to WG Regeneration for their Panel to make a similar decision.

Timelines

- 5.19 As outlined above the scheme is on site and is due for practical completion in March 2024.
- 5.20 Claims can only be made against spend until the end of the 2023 calendar year. There is a need to present evidence of spend defrayment and a need to demonstrate that the project was delivered within the procurement rules set out by WEFO. Hence our claim submission and associated documentation will be scrutinised by WEFO's management Verification Team (MVT) Audit team as part of the verification process. The claim will be submitted late March and indications from WEFO are that it will not be dealt with by the MVT team for a further 3-4 months. It should be noted that scrutiny during verification could identify anomalies that may impact on the final award figure.

Conclusion

- 5.21 The excellent progress being made on Caerphilly Town 2035 and its constituent projects is very encouraging and the ability of officers to draw down monies from various sources should be applauded. However, there is now a need to formalise the use of the WEFO monies in a manner that complies with the expectations of WEFO and breeds confidence in Caerphilly Town 2035.

6. ASSUMPTIONS

- 6.1 This report assumes that the Council will submit one full and final claim to WEFO for this project and that post verification checks the Council will receive payment as the main beneficiary. This will then be split between the Council and WG Regeneration Department in a manner which reflects each party's percentage financial contribution to the scheme as outlined in Table 2 above.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 The recommendations contained in the report will have a positive overall impact.

Link to IIA

8. FINANCIAL IMPLICATIONS

- 8.1 The Ffos Caerffili containerised market project was presented to Cabinet on the 19th October 2022 and more lately on the 8th March 2023. The Council, through these cabinet reports has allocated £1,250,000 of Council reserves to the Ffos Caerffili project.
- 8.2 As can be seen from the table in section 5, the Council will receive up to £2m funding from WEFO once the claim has been verified and scrutinised. The £1.1m of CCBC funds which will potentially be released by this funding ideally needs to be focussed on Caerphilly Town 2035 projects as outlined in the business case submission to WEFO.

- 8.3 It has been agreed by all parties (CCBC, WG Regeneration and WEFO) that the Council will continue to draw against WG TT funding until such time as the WEFO payment against the claim is made. This will require the Council to effectively pay back WG TT funding to prevent overpayment. A mechanism for this has been discussed and agreed in principle by all parties with CCBC Finance being fully sighted on it.
- 8.4 This injection of funding from WEFO means that the council's financial contribution to the Ffos project will be substantially less than originally envisaged, with the council only paying a small proportion of the overall costs associated with the project.

9. PERSONNEL IMPLICATIONS

- 9.1 There will be a need for CCBC Finance to support with the claim process. There has been and will continue to be a requirement for officers from a variety of internal departments within the Authority to dedicate time and energy to the projects identified in Caerphilly Town 2035. The Caerphilly Programme Manager along with CCBC Procurement team have had a fundamental role in driving the projects forward. As the project progresses, input from the Council's Communication Team, Town Centre Management Team and support services such as Finance and Legal will be required.

10. CONSULTATIONS

- 10.1 All comments received from consultees have been incorporated into the report.

11. STATUTORY POWER

- 11.1 The Local Government Acts 1998 and 2003.
- 11.2 Town and Country Planning Act 1990

Author: Hamish Munro, Placemaking Programme Manager

Consultees:

Dave Street, Deputy Chief Executive
Mark S. Williams, Corporate Director for Economy and Environment
Gareth Jenkins Interim Director for Social Services
Richard Edmunds Corporate Director of Education and Corporate Services
Stephen Harris, Head of Financial Services and Section 151 Officer
Robert Tranter, Head of Legal Services/Monitoring Officer
Ben Winstanley, Head of Land and Property Services
Rhian Kyte, Head of Regeneration and Planning
Lynne Donovan, Head of People Services
Paul Hudson, Business Enterprise Renewal Team Leader
Anwen Cullinane, Senior Policy Officer
Lorna Reed, Regeneration Project Officer
Allan Dallimore, Regeneration Services Manager
Sue Richards, Head of Transformation, Education Planning and Strategy and Place Shaping



CABINET 3RD APRIL 2024

SUBJECT: RESOURCING MOBILISING TEAM CAERPHILLY - DELIVERY

REPORT BY: CORPORATE DIRECTOR EDUCATION AND CORPORATE SERVICES

1. PURPOSE OF REPORT

- 1.1 To seek Cabinet approval to transfer £897k of uncommitted capital earmarked reserves into the Invest to Save Reserve in order to provide ongoing one-off external support to the Council's Mobilising Team Caerphilly Transformation Programme.

2. SUMMARY

- 2.1 In July 2023, Cabinet agreed that the Council's Invest to Save Reserve be repurposed to provide additional one-off support to the ongoing transformation programme and that delegated authority for the use of the budget be given to the Chief Executive in consultation with the Leader, relevant Cabinet Member and Section 151 Officer.
- 2.2 Since then, the Council's approach to transformation has developed at pace and scale with a significant amount of internal staffing resource having been released from the 'day job' to work alongside a number of external providers and some dedicated project management resource.
- 2.3 The transformation programme, known as Mobilising Team Caerphilly, has a target of delivering £5m of savings in year throughout 2024/25 and work is underway. The savings required over future years remains significant (circa £45m for the two-year period 2025/26 to 2026/27) and the Council will need to extend the existing resource arrangements as well as bolster them at certain points.
- 2.4 The absolute focus at present is to maximise the Council's potential to deliver recurring, year on year savings, over the medium to long term and, in doing so, to minimise the impact of diminishing budgets on services to the public and jobs.
- 2.5 As the programme is now moving into the critical Delivery Phase, further short-term support will be required from external resources while longer term internal resources will be needed over the years ahead to ensure the Transformation Programme learning remains embedded in the organisation. Delivering large scale transformation

such as this cannot happen without investing in the change, be that internal resource, external resources, or a mix of both as has been the case to date.

- 2.6 On this basis, Cabinet are asked to agree to top up the Invest to Save Reserve with £897k from the Council's uncommitted capital earmarked reserves.

3. RECOMMENDATIONS

3.1.1 That Cabinet:

- 1) Agree to transfer £897k of uncommitted capital earmarked reserves into the Invest to Save Reserve to support the Council's Mobilising Team Caerphilly transformation programme
- 2) Approve that delegated authority on the use of the Invest to Save Reserve continues to be granted to the Chief Executive in consultation with the Leader, relevant Cabinet Member and Section 151 Officer

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 The Mobilising Team Caerphilly Programme is moving into the critical Delivery phase with a target of realising £5m in cashable and recurring savings throughout 2024/25. In addition to this further savings of circa £45m will be required for the two-year period 2025/26 to 2026/27.
- 4.2 In order to maximise the opportunities for the Council to achieve these savings and noting the capacity challenges currently being faced, the Council needs to continue investing in the transformation programme and is seeking to do so from transferring additional one-off funding into the Invest to Save Reserve.

5. THE REPORT

- 5.1 The Invest to Save Reserve has been fundamental to driving the progress of Mobilising Team Caerphilly. It has enabled officers to access high quality external capacity and capability through which the foundations of the programme have been established and new ways of working have become increasingly embedded.
- 5.2 The Council has now defined, resourced and launched a Portfolio Management Office (PMO), gained Cabinet approval for a transformation narrative that describes how the Council will approach this challenge, as well as agreeing a suite of transformation principles.
- 5.3 Mobilising Team Caerphilly has been scoped and defined and centres on two core programmes, Service Transformation and Place Shaping. Within these programmes there are four workstreams and within these workstreams are a multitude of now prioritised and resourced projects.
- 5.4 Since the summer, a significant number of officers from across the Council have been contributing to the development and progression of transformation projects using an agile project management methodology by participating in multi-disciplinary review teams. This work has been led by a team of appointed external resources.

- 5.5 The Council has now established a 'single view of change' and embedded governance arrangements geared towards 'working in the open' and ensuring that corporate resources can focus on the agreed priority projects. The Council's Leadership Team keep those priorities under review on a weekly basis.
- 5.6 Finance and HR Baselineing has been undertaken with support from our external provider and a tailored business case and benefits tracking approach has been developed. This enables decisions to be taken in the knowledge of the potential benefits and costs defined and then tracked through to implementation.
- 5.7 The Council has set up a Service Transformation Board, a Place Shaping Board and an umbrella Mobilising Team Caerphilly (MTC) Portfolio Board which meet monthly.
- 5.8 An extensive communication and engagement approach has been developed and embedded across the organisation. Aside from daily project 'stand ups', a weekly stand up now regularly receives around 100 attendees enabling every part of the organisation to remain apprised of progress as well as any challenges that emerge.
- 5.9 A number of specific staff engagement sessions have been held over the last four months, through which around 600 staff have been brought up to speed on the Mobilising Team Caerphilly portfolio. Management Network now meets monthly to ensure engagement across the Council's service managers.
- 5.10 Elected Members, aside from the opportunity to attend the weekly stand ups have also received presentations within their political groups and the second in a series of Members seminars will take place beyond Easter.
- 5.11 The Council is continuing to expand its knowledge of Agile Project Management techniques through its work with an external provider as well as a wide range of digital transformation techniques such as user centred design. A full day training session has been delivered to over 50 members of staff in December and, all staff deployed within multi-disciplinary teams are continuing to grow in confidence with these new skills and techniques.
- 5.12 Corporate Management Team, Leadership Team and Cabinet have been able to access coaching, learning and development in respect of the implementation of a whole authority transformation programme and the development and introduction of new ways of working across staff populations.
- 5.13 Within the Service Transformation Portfolio, a wide range of projects are now in flight with some nearing the end of the Discovery Phase and some moving into the Delivery phase. Through April, Cabinet will be presented with a range of business cases that will include options appraisal for the future configurations of:
- Contact Management
 - School Transport
 - WCCIS
 - Fleet
 - Building Cleaning
 - Catering and Meals Direct
 - Leisure
 - Parks
 - Tourism

- Library Services
- Corporate Landlord
- Print and Design Services
- Financial Management
- IT Services
- Agency Spend
- Third Party Spend

- 5.14 Some early projects have also been delivered which have focussed on improving financial management and internal controls. These include spend control projects focussed on centralising and coordinating the use of Amazon Accounts across all aspects of the business, and also reviewing purchase card usage. These projects will reduce costs, drive customer improvements, and enhance financial discipline across services.
- 5.15 In addition to this, a Council Tax project (which is the first of over 900 processes to be reviewed) has just concluded with the outcome being customer service improvements and financial efficiencies of circa £177k (consisting of recurrent savings as well as cost avoidance).
- 5.16 Working with an external provider the Council has baselined the time and effort being expended by staff across some 37 categories. The work has provided detailed insight into where opportunities exist to streamline processes and service delivery approaches. The baseline data is feeding directly into the contact management review and will provide the basis for a People Project.
- 5.17 The Council has also managed to migrate several of its business-critical IT solutions to the Cloud and, in doing so, developed the foundations for significant business improvements over the coming years. The solutions that support Council Tax and HR are now in the Cloud and, despite the complexity of the migrations, the implementations have gone extremely smoothly thanks in no small part to the commitment of staff, and the addition of high calibre external project management resources.
- 5.18 Should Cabinet decide to progress the projects set out in 5.13 through to delivery and implementation, they will require resourcing over the medium term. This resourcing will be a continuation of the mix of internal and external resources that have supported the projects to date, albeit the exact make up will need to be determined by project requirements.
- 5.19 Over time, the Council will have sufficiently developed and fully embedded the transformation skills and approaches necessary across a wide enough staff base to continue its transformation journey using a majority of internal resources.
- 5.20 With the urgency of delivering £5m of savings in year and the knowledge and transformation capability not sufficiently well developed, continued access to external resources remains critical, at least in the short term. Replenishing the Invest to Save Reserve will support this transition without an untimely loss of pace.

5.21 Conclusion

The Council has made strong progress over the last six months in terms of developing and embedding the necessary programme infrastructure and resourcing

the varying transformation projects but is not yet at a stage where it can lead the programme without additional external support.

As Caerphilly moves into the critical Delivery phase, a decision is sought to bolster the resources available to continue the programme at pace, maximising the opportunity to deliver both in year savings and further savings over the medium to long term.

6. ASSUMPTIONS

6.1 None.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

7.1 No Integrated Impact Assessment is required for this report as it simply seeking support from Cabinet to top up the Invest to Save Reserve to further support the Council's Transformation Programme.

8. FINANCIAL IMPLICATIONS

8.1 The proposal in the report is that £897k is transferred from unallocated capital earmarked reserves into the Council's Invest to Save Reserve to provide external support for the Transformation Programme over the medium term.

9. PERSONNEL IMPLICATIONS

9.1 There are no direct personnel implications in relation to the decision to top up the Invest to Save Reserve.

10. CONSULTATIONS

10.1 The views of all consultees set out below have been added to the content of the report.

11. STATUTORY POWER

11.1 Local Government Act 1998 and 2003

Author: Richard Edmunds, Corporate Director Education and Corporate Services

Consultees: Dave Street, Deputy Chief Executive,
Cllr Sean Morgan, Leader of the Council
Mark S Williams, Corporate Director Economy and Environment
Gareth Jenkins Interim Director for Social Services
Lisa Lane, Head of Democratic Services and Deputy Monitoring Officer
Lynne Donovan, Head of People Services,
Stephen Harris, Head of Financial Services and S151 Officer

Liz Lucas, Head of Customer and Digital Services
Sue Richards, Head of Education Planning and Strategy, Transformation
and Strategy
Cllr Jamie Pritchard, Deputy Leader of the Council and Cabinet Member
for Prosperity, Regeneration and Climate Change
Cllr Eluned Stenner, Cabinet Member for Finance and Performance
Cllr Nigel George, Cabinet Member for Corporate Services, Property and
Highways
Cllr Carol Andrews, Cabinet Member for Education and Communities
Cllr Shayne Cook, Cabinet Member for Housing
Cllr Chris Morgan, Cabinet Member for Waste, Leisure and Green Spaces
Cllr Phillipa Leonard, Cabinet Member for Planning and Public Protection
Cllr Elaine Forehead, Cabinet Member for Social Care
Cllr Gary Johnston Chair of the Corporate and Regeneration Scrutiny
Committee
Leadership Team



CABINET - 3RD APRIL 2024

SUBJECT: REFURBISHMENT OF TWIN PACK ORGANICS COLLECTION VEHICLES

REPORT BY: CORPORATE DIRECTOR FOR ECONOMY AND ENVIRONMENT

1. PURPOSE OF REPORT

For Cabinet to consider a proposal to provide funding for the refurbishment of 9no Twin Pack Organics Collection Vehicles to bring them to a standard that will see them operational through to 2027 and align with the potential implementation of the draft Waste Strategy that is currently undergoing public consultation.

2. SUMMARY

- 2.1 As Cabinet is aware, a Waste route map and draft Waste Strategy has been agreed and is currently out for public consultation.
- 2.2 As part of considering the Waste Strategy and its implementation date, there is still a requirement to support the current front line service arrangements for how waste is collected prior to any proposed changes scheduled in the strategy for 2027.
- 2.3 Food and garden waste collections are currently undertaken by specialist narrow chassis, rear steer, twin pack refuse collection vehicles (RCV's). While the new Waste Strategy will improve collection services, we will need to bridge a gap between 2024-2027 where the food and garden waste collections are covered in the interim period by the existing vehicles that the Authority currently owns/leases.
- 2.4 There is therefore an urgent need to ensure food and garden waste collections are not compromised during this 3 year interim period. Food and garden waste collections consist of servicing circa 80,000 domestic and commercial properties per week within the borough or 4.2 million annual collections. To compromise the service would cause reputational damage to the Authority.

- 2.5 The 9no existing vehicles are now beyond their economic life and experiencing significant downtime due to continual repairs. There are regular instances where multiple vehicles cannot be utilised daily which causes disruption to service users. As such an urgent refurbishment programme is required.
- 2.6 From 2027, it is proposed that there will be changes to how food and garden waste are collected so any new twin pack vehicles purchased now would become obsolete from 2027.

3. RECOMMENDATIONS

- 3.1 Cabinet approve the request for funding of £148,253.84 for refurbishment of the existing twin pack collection fleet for the reasons outlined in the report.
- 3.2 Cabinet agrees that the cost of £148,253.84 should be funded from unallocated capital earmarked reserves.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To future proof the service for the next 3 years to bridge the gap between current operations and the implementation of the new Waste Strategy. This would be a cost-effective implementation which would provide a significant level of cost avoidance to the Authority over the 3 year period by negating the necessity for expenditure on new vehicles and also reduce exposure to the risk of additional failure to the fleet.

5. THE REPORT

- 5.1 A new Waste Strategy has been developed and is currently out to public consultation which is due to end on 29th April 2024. This strategy details how waste collection services are being considered to operate as we move forward to the Welsh Governments' Towards Zero Waste initiative by 2050. The strategy is aimed at improving recycling targets that have unfortunately remained static over recent years whilst Welsh Government targets have risen. The recycling target for 2024/25 is 70% whereas Caerphilly is currently operating at around 62%.
- 5.2 Food waste is a significant contributor to overall waste arisings but unfortunately Caerphilly's participation has been one of the lowest in Wales languishing at around 40-50%. Promotional campaigns and approval for the provision of a 12 month trial for free caddy liners to residents have given rise to an increase in participation with latest figures showing that food waste tonnages have risen by circa 60 tonnes in February 2024 when compared to February 2023. This is a significant improvement that will bode well for improving recycling rates as we move forward given that food waste, if not recycled, would generally be located within the contents of the residual bin.
- 5.3 Increased tonnage attributed to the food & garden waste vehicles will also place additional stress on an aging fleet of vehicles that are currently reaching 7-8 years old and the commencement of what would normally be a renewal programme. However, given that a new strategy has been developed it would not be prudent management of resources to replace the current vehicles at a cost of circa £220,000 each at current costs for them to then be redundant in 2027 when the new strategy is to be implemented.

- 5.4 The current twin pack vehicles are bespoke to meet Caerphilly's requirements i.e narrow chassis and rear steer, with 70/30 split collection bays. These type of vehicles are not readily available on the hire market.
- 5.5 To bridge the gap between 2024-2027, the proposal would be to run the existing fleet for what in effect is an extended 3 year period to their life span until 2027 when they would then be surplus to requirements.
- 5.6 It is proposed to fully refurbish the 9no twin pack RCV's to extend their life and ensure they will be roadworthy for a further 3 years. The refurbishment would include vehicle maintenance and repairs such as brakes, sensors, wiring looms, hydraulics, panel repairs etc. Other than tyres there are no exclusions. The vehicles have been fully assessed by a specialist fleet contractor and any items that need repair have been listed in a condition survey report.
- 5.7 The sum required to undertake the full refurbishment is £148,253.84 as a total cost for all 9 vehicles. This sum includes a 10% contingency for any unforeseen repairs that could manifest when works have commenced. This proposal would provide a cost-effective solution to maintain food and garden waste service delivery for the next 3 years and bridge the gap between 2024-2027 when the new Waste Strategy can be implemented which will significantly lower the Authority's carbon footprint following implementation.
- 5.8 The alternative cost would be commissioning the build and purchasing of 9no bespoke twin pack vehicles at a cost of circa £1.98m. These would then become surplus to requirement after 3 years.
- 5.9 To do nothing would have serious implications for delivery of service including significant delays in collections due to loss of vehicles as a result of breakdown and inflated costs resulting from overtime working when collections are delayed in the normal working day.
- 5.10 The current twin pack fleet, given its age, is now requiring increased levels of maintenance works resulting in multiple vehicles being off the road at the same time which in turn compromises service delivery to the public with delayed collections of food and garden waste.

5.11 CONCLUSION

- 5.11.1 The proposal if approved will achieve significant cost avoidance in future spend for the food & garden waste service over the next 3 years as a specialist vehicle replacement programme would be avoided.
- 5.11.2 The proposal will also provide additional resilience to the food & garden waste service for the next 3 years alleviating significant risk to the service with regard to breakdowns which leads to negative public perception.

6. ASSUMPTIONS

6.1 There are no assumptions attributed to this report.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

7.1 An Integrated Impact Assessment is not required for this report.

8. FINANCIAL IMPLICATIONS

8.1 To undertake the refurbishment programme to the current owned vehicles at a cost of £148,253.84 (which includes a 10% contingency over the quoted refurbishment costs) would result in cost avoidance in terms of a vehicle replacement strategy where 9no new vehicles would be required over a 3 year period at a cost of £220,000 per vehicle. Additionally, the new strategy planned for 2027 is likely to require a different type of vehicle to undertake collections.

8.2 It is proposed that the required funding will be met from unallocated capital earmarked reserves.

9. PERSONNEL IMPLICATIONS

9.1 There are no personnel implications associated with this report.

10. CONSULTATIONS

10.1 The consultees listed below have been consulted on this report and their views have been incorporated accordingly.

11. STATUTORY POWER

11.1 The following statutory powers, are identified:

- Environment Protection Act (1990)
- Revised Waste Framework Directive (2018)
- Environment Act (2021)
- Waste (Wales) Measure (2010)

Author: Nathan Jones, Waste Operations Manager

Consultees: Dave Street, Deputy Chief Executive
Mark S. Williams, Corporate Director for Economy and Environment
Marcus Lloyd, Head of Infrastructure
Hayley Jones, Waste Strategy and Operations Manager
Cllr. Chris Morgan, Cabinet Member for Waste, Leisure and Green Spaces
Cllr. Nigel George, Cabinet Member for Corporate Services, Property and Highways

Stephen Harris, Head of Financial Services and S151 Officer
Rob Tranter, Head of Legal Services and Monitoring Officer
Liz Lucas, Head of Customer and Digital Services
Rob Hartshorn, Head of Public Protection, Community and Leisure Services
Lynne Donovan, Head of People Services
Leanne Sykes Deputy Head of Financial Services and S151 Officer
Richard Edmunds, Corporate Director of Education and Corporate Services

Gadewir y dudalen hon yn wag yn fwriadol