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Date: 13th July 2022

This meeting will be live-streamed and recorded and made available to view via the Council's website, except for discussions involving confidential or exempt items. Therefore the images/audio of those individuals speaking will be publicly available to all via the recording on the Council website at www.caerphilly.gov.uk

You are welcome to use Welsh at the meeting, a minimum notice period of 3 working days is required should you wish to do so. A simultaneous translation will be provided on request.

To Whom It May Concern,

A multi-locational meeting of **Council** will be held in the Chamber, Penallta House and via Microsoft Teams on **Tuesday, 19th July, 2022 at 5.00 pm** to consider the matters contained in the following agenda. Members of the Public or Press may attend in person at Penallta House or may view the meeting live via the following link: <https://civico.net/caerphilly> .

Yours faithfully,

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

Christina Harrhy
CHIEF EXECUTIVE

AGENDA

Pages

- 1 To receive apologies for absence.
- 2 Mayor's Announcements.
- 3 To receive petitions under Rule of Procedure 28(3).

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4 Presentation of Awards.

5 Declarations of Interest.

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

To approve and sign the following minutes: -

6 Council held on 12th April 2022. 1 - 4

7 Annual Council held on 19th May 2022. 5 - 20

8 To receive and to answer questions received under Rule of Procedure 10(4).

Question to the Cabinet Member for Finance and Performance, Councillor E. Stenner from Councillor K. Etheridge: -

To ask the Cabinet Member for Finance and Performance as £229,000 of the Community Empowerment Fund was not spent in various affected wards can they please define the mechanism, methodology and monitoring used which will ensure all monies are spent to help good causes, which meet the criteria in every ward of the county following the cost of living rises?

Question to the Cabinet Member for Prosperity, Regeneration and Climate Change, Councillor J. Pritchard from Councillor A. McConnell.

Can the Cabinet Member for Regeneration, Prosperity and Climate Change explain what is being done to support businesses and town centres?

To receive and consider the following reports: -

9 Notice of Motion - Government Cuts. 21 - 26

10 Housing Revenue Account Business Plan 2022/23. 27 - 42

Circulation:

All Members And Appropriate Officers

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Agenda Item 6



COUNCIL

MINUTES OF THE MEETING HELD VIA MICROSOFT TEAMS ON TUESDAY, 12TH APRIL 2022 AT 5.00PM

PRESENT:

Councillor C. Andrews - Mayor

Councillors:

M. Adams, E.M. Aldworth, C. Bezzina, C. Bishop, A. Collis, D. Cushing, C. Cuss, W. David, M. Davies, T.D. Davies, C. Elsbury, K. Etheridge, M. Evans, A. Farina-Childs C. Forehead, E. Forehead, A. Gair, N. George, C. Gordon, R. Gough, L. Harding, A. Hussey, V. James, G. Johnston, S. Kent, G. Kirby, A. Leonard, P. Leonard, C. Mann, S. Morgan, B. Owen, T. Parry, D. Poole, D. Preece, J. Pritchard, J. Ridgewell, J. Roberts, R. Saralis, J. Simmonds, E. Stenner, C. Thomas, A. Whitcombe, R. Whiting, L. Whittle, T. Williams, B. Zaplatynski.

Together with:-

C. Harrhy (Chief Executive), R. Tranter (Head of Legal Services and Monitoring Officer), D. Street (Corporate Director Social Services and Housing), M.S. Williams (Corporate Director Economy and Environment), R. Tranter (Head of Legal Services and Monitoring Officer), L. Lane (Head of Democratic Services and Deputy Monitoring Officer), E. Sullivan (Senior Committee Services Officer)

RECORDING, FILMING AND VOTING ARRANGEMENTS

The Chief Executive reminded those present that the meeting was being filmed but would not be live streamed, however a recording would be available following the meeting via the Council's website – [Click Here to View](#). She advised that decisions would be made by Microsoft Forms.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors J A. Angel, J. Bevan, P. Bevan, K. Dawson, N. Dix, J.E. Fussell, D. Hardacre, D. Harse, D. Havard, A. Higgs, M. James, L. Jeremiah, B. Jones, P. Marsden, B. Miles, G. Oliver, L. Phipps, D. Price, M.E. Sargent, J. Scriven, G. Simmonds, S. Skivens, J. Stone, J. Taylor, W. Williams and R. Edmunds (Corporate Director Education and Corporate Services).

2. MAYOR'S ANNOUNCEMENTS

Due to the Pre-Election Period the Mayor made no announcements.

3. TO RECEIVE PETITIONS UNDER RULE OF PROCEDURE 28(3)

There were no petitions.

4. PRESENTATION OF AWARDS

There were no awards.

5. DECLARATIONS OF INTEREST

There were no declarations of interest received at the start or during the course of the meeting.

6. MINUTES - COUNCIL – 16th MARCH 2022

RESOLVED that the minutes of Council held on 16th March 2022 (minute nos. 1-15) be approved as a correct record.

7. MINUTES – SPECIAL COUNCIL – 24TH MARCH 2022

Subject to it being noted that Councillor E.M. Aldworth had been omitted from the Apologies for Absence

RESOLVED that the minutes of Special Council held on 24th February 2022 (minute nos. 1-3) be approved as a correct record.

8. TO RECEIVE AND TO ANSWER QUESTIONS RECEIVED UNDER RULE OF PROCEDURE 10(4)

There were no questions received.

REPORTS OF OFFICERS

9. MEMBERS INDUCTION PROGRAMME 2022

Consideration was given to the report which outlined the proposed induction programme for newly elected and returning Councillors following the local government elections in May 2022.

Council noted that the Induction Programme had been considered by the Democratic Services Committee at its meeting on the 17th March 2022, who unanimously recommended its approval.

Members noted that the role of a Councillor is complex and challenging and the political, legislative and local landscape in which they work is changing constantly. The proposed induction programme would enable Councillors to quickly become familiar with how the Council works, the rules and procedures under which it operates and the complexities of the elected member role.

Members noted the dates of Mandatory Training elements and queried if there would be opportunities for additional sessions to be organised to take into account Members pre-existing holiday or family commitments. Members were advised that Officers hoped to be able

to record sessions but would work with individual members to provide training on a 1-2-1 basis if required.

A Member proposed that the Induction Programme would benefit from the addition of six-month performance review mechanism, the outcomes from which could be considered by the Democratic Services Committee. Indicators could include attendance, training history etc.

A Member felt that this information was already accounted for within the Members Annual Report.

A Member also expressed concern as to the establishment of a set of indicators for Elected Members performance and what role the Democratic Services Committee could take in terms of reviewing outcomes. As individual Members work in a variety of ways, balancing work, life and constituency demands it was felt that these could not be reflected or measured within static data sets. The Member felt that the ultimate evaluation of a Councillors performance was with constituents and the electorate to judge.

The recommendations contained within the Officers' report were moved and seconded and an amendment was then moved and second that proposed that the Induction Programme be amended to include a six-month performance review mechanism for Elected Members to the Democratic Services Committee.

By way of Microsoft Forms and verbal confirmation and in noting there were 8 For, 36 Against and 2 Abstentions the amendment was declared lost by the majority present.

By way of Microsoft Forms and verbal confirmation and in noting there were 45 For, 1 Against the motion was declared carried by the majority present.

RESOLVED that: -

- (i) The comments of the Democratic Services Committee be noted.
- (ii) The updated Member Induction Programme 2022 (Appendix 1) be approved.

10. CHANGES TO THE FAMILY ABSENCE PROTOCOL FOR MEMBERS OF LOCAL AUTHORITIES

Consideration was given to the report which advised Council of the changes to the Family Absence Protocol for Members of Local Authorities, which increased the amount of paid absence a Members is entitled to in respect of adoption leave and sought approval from Council to incorporate the amended Protocol within the Constitution.

Council noted that the report had been considered by the Democratic Services Committee at its meeting on the 17th March 2022 and they had unanimously supported its recommendation to Council.

It was moved and seconded that the recommendations contained in the Officer's report be approved and by way of Microsoft Forms this was unanimously agreed.

RESOLVED that: -

1. The content of report and changes made to the Family Absence for Members of Local Authorities Protocol as set out in Appendix 1 be noted.

2. The Head of Legal Services and Monitoring Officer be authorised to amend the Constitution by substituting the existing Protocol with the amended version.

In concluding the meeting, the Mayor paid tribute to all Councillors for all their hard work over the last five years and for the support she had received during her time as Mayor of Caerphilly County Borough Council. The Mayor formally placed on record her thanks to Deputy Mayor Councillor June Stone for her support and to Officers for their hard work and dedication in such unprecedented times.

These sentiments were shared by the Political Group Leaders present and by retiring Members who expressed their thanks to all Councillors for their hard work and commitment and wished them every success for the future.

The Chief Executive took the opportunity to wish all Councillors the very best for all their future endeavours and thanked them on behalf of the communities of Caerphilly County Borough Council for all their hard work.

The meeting closed at 17:40 pm

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 7th June 2022 they were signed by the Mayor.

MAYOR

Agenda Item 7



COUNCIL

MINUTES OF THE ANNUAL MEETING HELD IN THE CHAMBER, PENALLTA HOUSE AND VIA MICROSOFT TEAMS ON THURSDAY 19TH MAY 2022 AT 5.30PM

PRESENT:

Councillor C. Andrews - Mayor

Councillors:

Councillors: M. Adams, E.M. Aldworth, A. Angel, C. Bishop, A. Broughton-Pettit, M. Chacon-Dawson, R. Chapman, P. Cook, S. Cook, C. Cuss, T.D. Davies MBE, N. Dix, G. Ead, C. Elsbury, G. Enright, K. Etheridge, M. Evans, A. Farina-Childs, C. Forehead, E. Forehead, J.E. Fussell, A. Gair, N. George, C. Gordon, D. Harse, T. Heron, A. Hussey, D. Ingram-Jones, M. James, L. Jeremiah, G. Johnston, J. Jones, S. Kent, A. Leonard, P. Leonard, C. Mann, A. McConnell, B. Miles, C. Morgan, S. Morgan, B. Owen, L. Phipps, D.W.R. Preece, H. Pritchard, J.A. Pritchard, J. Rao, J. Reed, J. Roberts, J. Sadler, R. Saralis, J. Scriven, J. Simmonds, S. Skivens, E. Stenner, J. Taylor, C. Thomas, A. Whitcombe, L. Whittle, S. Williams, W. Williams, J. Winslade, K. Woodland, C. Wright.

Together with:-

C. HARRY (Chief Executive), D. Street (Corporate Director Social Services and Housing), R. Edmunds (Corporate Director Education and Corporate Services), M.S. Williams (Corporate Director Economy and Environment), S. Harris (Head of Financial Services and Section 151 Officer), R. Tranter (Head of Legal Services and Monitoring Officer), L. Lane (Head of Democratic Services and Deputy Monitoring Officer)

RECORDING, FILMING AND VOTING ARRANGEMENTS

The Chief Executive reminded those present that the meeting was being live streamed, and a recording would also be made available following the meeting via the Council's website – <https://civico.net/caerphilly>. She advised that decisions would be made by Microsoft Forms.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors D. Cushing, M. James, T. Parry, D. Price.

2. DECLARATIONS OF INTEREST

All Councillors declared a personal interest only in Agenda Item No. 20 – Independent Remuneration Panel for Wales Annual Report-2022/23 – Salaries and Allowances and as such could take full part in the debate and vote.

3. RETIRING MAYOR'S REMARKS

Councillor Carol Andrews as the retiring Mayor of Caerphilly County Borough Council expressed her pride in being able to represent this Council during such a challenging period. The Mayor referred to the 14 events she was able to attend in person and although her Civic Office duties had been severely restricted by the COVID 19 Pandemic she had been overwhelmed by the welcome that she had received. Council was advised that where she had been unable to attend in person, she had been able to record messages or attend events and award ceremonies remotely, with 22 Bouquets of Flowers being delivered to commemorate special events for the residents of the Borough.

The Mayor placed on record her thanks to her daughter Megan who had acted as her Consort and reflected on the sad passing of her Mother just before she came into office, and was reminded of how she had looked forward to being Consort and how proud she would have been to stand by her side.

The Mayor thanked Councillor June Stone her Deputy Mayor for her assistance and support during her time in office and expressed particular thanks to Karen Green, Joy Thomas, Mark Harris, Emma Sullivan, and the Democratic Services Team for all their help.

In concluding her remarks, she wished the very best to her successor and congratulated both returning and newly elected Councillors on their election.

Members in turn thanked Councillor Andrews for the impeccable way in which she had carried out her duties as Mayor and for the dignified way she had conducted her term of office.

4. TO ELECT A MAYOR OF COUNCIL UNTIL THE ANNUAL MEETING IN MAY 2023

It was moved and seconded that Councillor Elizabeth Aldworth be elected as Mayor of Caerphilly County Borough Council until the Annual Meeting in May 2023 and by way of Microsoft Forms and Verbal Confirmation and in noting there were 57 For and 2 Abstentions this was agreed by the majority present.

RESOLVED that Councillor E.M. Aldworth be elected as Mayor of Council until the Annual Meeting in May 2023.

5. TO ELECT A DEPUTY MAYOR OF COUNCIL UNTIL THE ANNUAL MEETING IN MAY 2023

It was moved and seconded that Councillor Mike Adams be elected as Deputy Mayor of Caerphilly County Borough Council until the Annual Meeting in May 2023 and by way of Microsoft Forms and Verbal Confirmation and in noting there were 55 For, 3 Against and 2 Abstentions this was agreed by the majority present.

RESOLVED that Councillor M. Adams be elected as Deputy Mayor of Council until the Annual Meeting in May 2023.

6. MAYORS ANNOUNCEMENTS

The Mayor thanked Councillor Andrews and Councillor Stone for the way in which they had kept the Civic Office available and functioning throughout the pandemic and for the support that they had provided to Members during Council meetings and in the wider county borough.

The Mayor expressed the pride she felt in wearing the chain of office presented to her this evening and being able to represent Caerphilly County Borough Council over the next twelve months. The Mayor confirmed that her consort would be her husband and they very much looked forward to being able to support a full civic calendar now that restriction had been lifted.

The Mayor congratulated Councillor Mike Adams on his appointment and looked forward to working with him as the new Deputy Mayor.

The Mayor confirmed that the Aneurin Bevan Health Board Breast Unit at Ystrad Mynach Hospital would be her chosen charity and hoped that all funds raised would help to strengthen the unit as a centre of excellence for the benefit of Caerphilly County Borough residents.

Group Leaders expressed their congratulations to Councillor Aldworth and Councillor Adams on their appointments and paid tribute to the previous Mayor, Deputy Mayor and Leader of Council for all their hard work during an incredibly difficult time.

7. TO ELECT A LEADER OF COUNCIL

It was moved and seconded that Councillor Sean Morgan be appointed as Leader of Caerphilly County Borough Council and by way of Microsoft Forms and verbal confirmation and in noting there were 44 For, 11 Against and 7 Abstentions this was agreed by the majority present.

RESOLVED that Councillor S. Morgan be elected as Leader of Council.

8. TO NOTE THE APPOINTMENT OF A DEPUTY LEADER

RESOLVED that the appointment of Councillor J. Pritchard as Deputy Leader of Council be noted.

9. TO NOTE THE NUMBER OF MEMBERS TO BE APPOINTED TO THE CABINET AND THE NAMES THE LEADER HAS CHOSEN TO BECOME MEMBERS OF THE CABINET

RESOLVED that the appointment of 10 Cabinet Members (including the Leader) and their portfolios be noted: -

Councillor James Pritchard - Deputy Leader and Cabinet Member for Prosperity, Regeneration and Climate Change

Councillor Nigel George - Cabinet Member for Corporate Services and Property

Councillor Eluned Stenner - Cabinet Member for Finance and Performance

Councillor Carol Andrews - Cabinet Member for Education and Communities

Councillor Shayne Cook - Cabinet Member for Housing

Councillor Julian Simmonds - Cabinet Member for Highways and Transportation

Councillor Elaine Forehead - Cabinet Member for Social Care
Councillor Philippa Leonard - Cabinet Member for Planning and Public Protection

Councillor Chris Morgan - Cabinet Member for Waste, Leisure and Green Spaces

10. TO NOTE THE APPOINTMENT OF THE LEADER OF THE MAIN OPPOSITION GROUP

RESOLVED that the appointment of Councillor L. Whittle as the Leader of the Main Opposition Group be noted.

Following the confirmation of his appointment Councillor Whittle placed on record his thanks to Councillor Mann the previous Plaid Cymru Group Leader for all this hard work, and on an evening of congratulations and commiserations he advised Council that, as any good opposition group should, going forward they would provide constructive challenge and contribute fully to proceedings and looked forward to the new Council term and what it would bring for the residents of Caerphilly County Borough.

11. LEADERS STATEMENT

The Leader commenced his statement by congratulating the Mayor and Deputy Mayor on their appointments. He expressed his surety that they would be exemplary ambassadors for the County Borough during their year in office and how he very much looked forward to working with them both.

The Leader expressed how honoured and humbled he was to be elected as Leader of this Council and gave a personal assurance to all Members and to every resident of the county borough that he would continue along the road of modernising the organisation and improving council services as previous Leaders had done.

He placed on record his thanks to the previous Leader, Philippa Marsden who led the Council in such difficult circumstances throughout the recent Pandemic, while keeping services operating as normally as possible, all leading to an historic, third consecutive Labour led Administration.

He advised Members that communities and this council, like every other area across Wales, continue to face a number of significant challenges as they recover from a global pandemic. The pressing climate change considerations, the war in Ukraine with its many repercussions and a range of other pressures impacting our services. Perhaps the most urgent of which is the escalating cost of living crisis and its devastating impacts on our Communities. People, in 21st Century Britain should not be going hungry, but this was the position for many and we, as a Council must be doing all we can to help and support these people.

Council was assured that now, more than ever, strong and decisive leadership was needed to ensure that the Council can continue to deliver positive change for our residents and as Leader confirmed this as his commitment going forward. With his Cabinet he would be working closely with the Corporate Management Team to agree key priorities and to progress a number of strategic aspirations for the future. Council was asked to note that the overarching focus will be upon delivery. Continuing to protect frontline services, deliver value for money and create vibrant and prosperous communities for our residents.

The Leader explained that much work would be done over the coming weeks to clearly map out our plans and priorities. He emphasised the importance of managing the expectations of the community as we recognise that we can't do everything, everywhere, therefore we need to manage our resources and focus our services accordingly. All of this will be set out in full

within the Corporate Plan, which would be brought to Council in the near future, so that everyone has a clear understanding about what we are going to deliver.

Council was reminded how the Team Caerphilly ethos binds us together. This motto, which is up there for all to see on the Mayoral crest, states, we are working together for the good of all. As Councillors we have our respective roles and responsibilities, through regulatory Committees, appointments on outside organisations, main Council meetings or through Scrutiny meetings which includes pre-decision Scrutiny, you all have an opportunity to represent your residents and have your say on how this Council is run.

The Leader reminded Members that apportionment of these roles are agreed on a proportional basis based on the election results, clearly reflecting the will of the residents of the Borough.

The recent election results clearly demonstrate a strong mandate from the public to deliver our manifesto commitments. Areas such as our carbon focussed approach to street lighting and our key pledges in our manifesto were compellingly supported by the electorate.

Council noted the Leaders pledges: – to build a resilient economy– take action on the climate emergency– Protect our vulnerable residents– deliver education for a modern Caerphilly, and finally - build safer, healthier, better-connected communities

Caerphilly Council would continue to focus on delivery, improvement and transformation – making our county borough a great place to live, work and enjoy and as Leader, he would continue to elevate Caerphilly County Borough Council to be one of the best performing local authorities in the country.

12. REVIEW OF POLITICAL BALANCE

Consideration was given to the report which detailed the review of the political balance across the authority and the allocation of seats to political groups in accordance with Section 15 of the Local Government and Housing Act 1989.

Council noted that it is a requirement to review the political balance of its committees and as far as is practical allocate seats according to the overall percentage that a party has of the total seats of the authority. However, it was impossible to obtain a perfect percentage balance on every committee and there are therefore two principles are applied, one that the majority group must have the majority on any committee and two that the overall allocation of seats is as close as possible to the over percentage that a party holds on the council.

The Head of Legal Services and Monitoring Officer made specific reference to The Appeals Panel this has a committee membership of 3 which, under the current political balance calculation would be an allocation of 2-1 however the Council previously endorsed equal representation from the 3 main political groups and so membership was 1-1-1. Should Council wish to continue with the 1-1-1- allocation then the political balance would need to be unanimously approved.

Clarification was sought in relation to the composition of the Governance and Audit Committee which under this political balance did not have an Independent Group seat. The Leader of the Independent Group requested that in the spirit of working together an exception be made in this case and a seat be allocated to the Independents.

The Head of Legal Services and Monitoring Officer confirmed that this would be a matter for Council and outlined the changes to the composition of the Governance and Audit Committee required by the Local Government and Election Wales Act. This required the committee to be comprised of 4 Lay Members with the remaining 8 seats allocated in line with the political balance.

A Member referenced previous exceptions on the allocations of seats, in particular for the Planning Committee and request that this be considered again in line with the Team Caerphilly ethos of working together. The Independent Member felt that the lack of independent representation would be detrimental to independent wards, and this should be recognised by other parties.

The Leader referred Council to the calculation of the political balance as referenced in Appendix 1 of the report and highlighted the simple mathematical apportionment of the seats and that these seats were allocated in line with the wishes of the electorate as a whole.

It was moved and seconded that the recommendation contained in the Officer's report be approved and by way of Microsoft Forms and Verbal Confirmation and in noting there were 52 For, 8 Against and 3 Abstentions this was agreed by the majority present.

RESOLVED that the political balance as outlined in Appendix 1 and the general allocation of seats to the committees in accordance with the political balance be noted.

13. TO APPOINT THE CHAIR AND VICE CHAIR OF THE FOLLOWING OVERVIEW AND SCRUTINY COMMITTEES IN ACCORDANCE WITH THE POLITICAL BALANCE FOR THE ENSUING YEAR – EDUCATION SCRUTINY COMMITTEE, SOCIAL SERVICES SCRUTINY COMMITTEE, POLICY AND RESOURCES SCRUTINY COMMITTEE/PARTNERSHIPS SCRUTINY COMMITTEE, ENVIRONMENT AND SUSTAINABILITY SCRUTINY COMMITTEE AND HOUSING AND REGENERATION SCRUTINY COMMITTEE

It was moved and seconded that Chairs and Vice Chairs of Overview and Scrutiny Committees be appointed in accordance with the political balance for the ensuring and by way of Microsoft Forms and Verbal Confirmation and in noting there were 62 For and 1 Against this was agreed by the majority present.

RESOLVED that:-

1. Councillor T. Parry be appointed as Chair of the Education Scrutiny Committee and Councillor J. Rao be appointed as Vice Chair.
2. Councillor D. Cushing be appointed as Chair of the Social Services Scrutiny Committee and Councillor M. Chacon-Dawson be appointed as Vice Chair.
3. Councillor G. Johnston be appointed as Chair of the Policy and Resources/Partnerships Scrutiny Committee and Councillor B. Miles be appointed as Vice Chair.
4. Councillor D.T. Davies MBE be appointed as Chair of the Environment and Sustainability Scrutiny Committee and Councillor A. Hussey be appointed as Vice Chair.
5. Councillor A. Whitcombe be appointed as Chair of Housing and Regeneration Scrutiny Committee and Councillor P. Cook be appointed as Vice Chair.

14. TO APPOINT MEMBERS TO SERVE ON THE FOLLOWING OVERVIEW AND SCRUTINY COMMITTEES FOR THE ENSUING YEAR IN ACCORDANCE WITH THE POLITICAL BALANCE – EDUCATION SCRUTINY COMMITTEE, SOCIAL SERVICES SCRUTINY COMMITTEE, POLICY AND RESOURCES SCRUTINY COMMITTEE/PARTNERSHIPS SCRUTINY COMMITTEE, ENVIRONMENT AND SUSTAINABILITY SCRUTINY COMMITTEE AND HOUSING AND REGENERATION SCRUTINY COMMITTEE

It was moved and seconded that Members be appointed to serve on Overview and Scrutiny Committees in accordance with the political balance for the ensuring and by way of Microsoft Forms and Verbal Confirmation and in noting there were 62 For and 1 Against this was agreed by the majority present.

RESOLVED that:-

1. Councillors E.M. Aldworth, C. Bishop, A. Broughton-Pettit, M. Chacon-Dawson, A. Farina- Childs, A. Gair, C. Gordon, M. James, B. Miles, T. Parry, L. Phipps, M. Powell, J. Rao, J. Roberts, J. Winslade, K. Woodland be appointed to the Education Scrutiny Committee.
2. Councillors C. Bishop, D. Cushing, M. Chacon-Dawson, A. Broughton- Pettit, R. Chapman, P. Cook, K. Etheridge, M. Evans, D. Harse, T. Heron, D. Price, J. Rao, L. Jeremiah, A. Leonard, J. A. Pritchard, S. Skivens be appointed to the Social Services Scrutiny Committee.
3. Councillors M. Adams, E.M. Aldworth, C. Cuss, G. Enright, D. Ingram-Jones, G. Johnston, C. Mann, A. McConnell, B. Miles, J. Reed, J. Taylor, D. Preece, C. Thomas, L. Whittle, C. Wright, A. Whitcombe be appointed to the Policy and Resources/Partnerships Scrutiny Committee.
4. Councillors M. Adams, R. Chapman, C. Cuss, D. T. Davies MBE, N. Dix, C. Elsbury, M. Evans, A. Gair, A. Hussey, S. Kent, A. Leonard, D. Preece, H. Pritchard, J. Roberts, S. Williams, C. Wright be appointed to the Environment and Sustainability Scrutiny Committee.
5. Councillors D. Cushing, P. Cook, G. Ead, C. Forehead, A. Hussey, L. Jeremiah, C. Mann, A. McConnell, B. Owen, L. Phipps, J.A. Pritchard, D. Price, J. Winslade, S. Williams, W. Williams, A. Whitcombe be appointed to the Housing and Regeneration Scrutiny Committee.

15. TO APPOINT THE CHAIR AND/OR VICE CHAIR (AS NECESSARY) TO THE FOLLOWING COMMITTEES FOR THE ENSURING YEAR (IN ACCORDANCE WITH THE POLITICAL BALANCE)

It was moved and seconded that Chairs and Vice Chairs (as necessary) to Committees be appointed in accordance with the political balance and by way of Microsoft Forms and Verbal Confirmation and in noting that there were 58 For and 3 Abstentions this was agreed by the majority present.

RESOLVED that: -

1. Councillor W. Williams be appointed as Chair of the Licensing and Gambling/Taxi and General Committee and Councillor M. Adams be appointed as Vice Chair.
2. Councillor R. Saralis be appointed as Chair of the Planning Committee and Councillor E.M. Aldworth be appointed as Vice Chair.
3. Councillor B. Miles be appointed as Chair of the Appeals Panel

4. Councillor E.M. Aldworth be appointed as Chair of the Appointments Committee and Councillor J. Sadler be appointed as Vice Chair.
5. Councillor M. James be appointed as Chair of the Democratic Services Committee and Councillor L. Phipps be appointed as Vice Chair.

16. TO NOTE THAT THE CHAIR OF THE GOVERNANCE AND AUDIT COMMITTEE MUST BE A LAY MEMBER AND WILL BE APPOINTED AT THE FIRST MEETING FOLLOWING THE ANNUAL MEETING OF COUNCIL

Council noted that the Chair of the Governance and Audit Committee must be a Lay Member and will be appointed at the first meeting following the Annual Meeting of Council.

17. TO APPOINT MEMBER TO SERVE ON THE FOLLOWING COMMITTEES FOR THE ENSUING YEAR IN ACCORDANCE WITH THE POLITICAL BALANCE – APPEAL PANEL, APPOINTMENTS COMMITTEE, GOVERNANCE AND AUDIT COMMITTEE, DEMOCRATIC SERVICES COMMITTEE, INVESTIGATING AND DISCIPLINARY COMMITTEE, LICENSING AND GAMBLING COMMITTEE/TAXI AND GENERAL COMMITTEE, PLANNING COMMITTEE AND STANDARDS COMMITTEE

It was moved and seconded that Members be appointed to serve on committees for the ensuing year in accordance with the political balance and by way of Microsoft Forms and Verbal Confirmation and in noting there were 57 For, 1 Against and 4 Abstentions this was agreed by the majority present.

RESOLVED that: -

1. Councillors K. Etheridge, G. Enright and B. Miles be appointed to the Appeals Panel.
2. Councillors E. M. Aldworth, N. George, E. Stenner, A. Whitcombe, A. McConnell, C. Mann, J. Sadler, J. Taylor, K. Etheridge, and relevant Cabinet Member be appointed to the Appointments Committee.
3. Councillors D. T. Davies, G. Ead, A. Farina-Childs, C. Forehead, A. Hussey, M. James, L. Jeremiah, C. Mann, A. McConnell, L. Phipps, D. Price, J. A. Pritchard, J. Sadler, C. Thomas, A. Whitcombe, J. Winslade be appointed to the Democratic Services Committee.
4. Councillors M. Adams, E.M. Aldworth, A. Broughton-Pettit, M. Chacon-Dawson, P. Cook, T. Parry, J. Taylor be appointed to the Governance and Audit Committee.
5. Councillors A. Adams, E. M. Aldworth, A. Angel, D.T. Davies, Colin Gordon, J. Taylor, A. Whitcombe be appointed to the Investigating and Disciplinary Committee
6. Councillors M. Adams, E.M. Aldworth, D. Cushing, P. Cook, G. Ead, C. Gordon, D. Harse, T. Heron, J. Jones, D. Price, D.W.R. Preece, J. Scriven, J. Roberts, S. Williams, W. Williams be appointed to the Licensing and Gambling/Taxi and General Committee.
7. Councillors M. Adams, E. M. Aldworth A. Angel, R. Chapman, N. Dix, G. Ead, J. Fussell, A. Hussey, D. Ingram-Jones, B. Miles, M. Powell, R. Saralis, J. Taylor, S. Williams, A. Whitcombe, K. Woodland be appointed to the Planning Committee.
8. Councillor D. Price and C. Mann be appointed to the Standards Committee.

9. Councillors J. Simmonds, P. Leonard, C. Morgan, E. Stenner, J. Pritchard be appointed to the Rights of Way Cabinet Committee.

18. TO CONSTITUTE SUB COMMITTEES/WORKING PARTIES/PANELS/BOARDS AND APPOINT MEMBERS TO SERVE THEREON FOR THE ENSUING YEARS IN ACCORDANCE WITH THE POLITICAL BALANCE

It was moved and seconded that Sub Committees/Working Parties/Panels/Boards be constituted and Members be appointed to serve thereon for the ensuing year in accordance with the political balance and by way of Microsoft Forms and Verbal Confirmation and in noting there were 57 For and 4 Abstentions this was agreed by the majority present.

RESOLVED that: -

1. Councillors M. Adams, C. Andrews (Cabinet Member) M. Chacon-Dawson, B. Miles, M. James, J. Roberts, A. Whitcombe be appointed to serve on the Advisory Panel for the Appointment and Removal of Local Authority Governors.
2. Councillors C. Andrews, D.T. Davies, D. Ingram-Jones, Mrs D. Price be appointed to serve on the Bargued Town Centre Management Group
3. Councillors M. Chacon-Dawson, N. Dix, K. Etheridge, A. Farina-Childs, T. Heron, S. Williams be appointed to serve on the Blackwood Town Centre Management Group.
4. Councillor P. Leonard be appointed to serve on the Caerphilly Community Safety Delivery Group.
5. Councillors S. Cook (Cabinet Member) C. Gordon, A. Hussey, D. Price, A. McConnell, J. Scriven, D. Cushing be appointed to serve on the Caerphilly Homes Task Group.
6. Councillor C. Morgan be appointed to serve on the Caerphilly Local Access Forum.
7. Councillors A. Angel, P. Cook, A. Gair, T. Heron, A. Hussey, D. Ingram-Jones, N. George, C. Gordon, L. Jeremiah, A. McConnell, T. Parry, J.A. Pritchard, C. Thomas, L. Whittle, J. Winslade, K. Etheridge be appointed to serve on Community Council Liaison Sub Committee.
8. Councillors M. Adams, M. Chacon-Dawson, R. Chapman, G. Enright. S. Kent, J. Sadler, W. Williams be appointed o serve on the Corporate Health and Safety Committee.
9. Councillors S. Morgan, J. Pritchard, C. Andrews, S. Cook, E. Forehead, P. Leonard, J. Simmonds, C. Morgan, E. Stenner, N. George be appointed to serve on the Corporate Joint Consultative Committee.
10. Councillor E. Stenner be appointed to serve on the Education Achievement Services Board.
11. Councillor B. Miles and A. Whitcombe be appointed to serve on the Education Achievement Service Audit and Risk Assurance Committee.
12. Councillors A. Broughton- Pettit, M. Chacon-Dawson, P. Cook, G. Enright, A. Gair, T. Heron, D. Ingram-Jones, L. Jeremiah, D.W.R. Preece, J.A. Pritchard, J. Rao, J.

Roberts, J. Taylor, W. Williams, J. Reed be appointed to serve on the Grants to the Voluntary Sector Panel.

13. Councillors: D.W.R. Preece and A. Whitcombe (Abercarn), J. Simmonds (Crosskeys), K. Woodland (Crumlin), N. George, P. Leonard, A. Leonard, (Risca East), Bob Owen, Ceri Wright (Risca West) plus Cabinet Member C. Morgan (Cabinet Member for Waste, Leisure and Open Spaces) - Nominated Reserve: Councillor C. Thomas (Crumlin) - By Invitation: Councillors A. Hussey, L. Jeremiah and G. Johnston (Newbridge Ward Related Matters) be appointed to serve on the Monmouthshire and Brecon Canal – Crumlin Working Group.
14. Councillors P. Cook G. Enright, C. Gordon, B. Miles, M. Powell, D.W.R. Preece, J. Scriven, W. Williams plus appropriate Cabinet Member be appointed to serve on the Pensions/Compensation Committee.
15. Councillors C. Elsbury and A. Hussey be appointed to serve on the Prosiect Gwrydd Joint Scrutiny Panel.
16. Councillors J. Simmonds, P. Leonard, C. Morgan, E. Stenner and J. Pritchard be appointed to serve on the Rights of Way Cabinet Committee.
17. Councillors N. George, A. Leonard, B. Owen and C. Wright be appointed to serve on the Risca Town Centre Management Group.
18. Councillors C. Morgan, D. Harse and S. Kent be appointed to serve on the River Rhymney Task Group.
19. Chairs, Vice Chairs of Scrutiny Committees, Democratic Services Committee and Governance and Audit Committee be appointed to serve on the Scrutiny Leadership Group.
20. Councillors E.M. Aldworth, M. Chacon-Dawson, B. Miles, T. Parry, J. Taylor and A. Whitcombe be appointed to serve on the Standing Advisory Council for Religious Education.
21. Councillors P. Cook, R. Chapman, C. Gordon, J. Fussell, T. Parry, D.W.R. Preece, D. Price, H. Pritchard, J. Sadler, E. Stenner, S. Williams, W. Williams, J. Winslade, L. Whittle, K. Etheridge be appointed to serve on the Voluntary Sector Liaison Committee.
22. Councillors A. Angel, D. Cushing, M. James, T. Parry be appointed to serve on the Ystrad Mynach Town Centre Management Group.

19. TO APPOINT/NOMINATE REPRESENTATIVES TO SERVE ON OUTSIDE BODIES WHERE REQUIRED

It was moved and seconded that Members be appointed/nominated to serve on Outside Bodies where required and by way of Microsoft Forms and Verbal Confirmation and in noting there were 58 For and 4 Abstentions this was agreed by the majority present.

RESOLVED that: -

1. **Aneurin Bevan Community Health Council (Term of Office 2 years to 2021)**
Councillors M. Chacon-Dawson, T. Parry, J. Simmonds be appointed.
2. **Army Benevolent Fund - Gwent**

Councillor T. Heron be appointed.

3. **Association of Public Services Excellence (APSE) Welsh Regional Committee**
Councillors S. Cook, N. George and C. Morgan be appointed.
4. **Caerphilly Foster Panel**
Councillor B. Miles be appointed.
5. **Carbon Reduction Group**
Councillor J. Pritchard be appointed
6. **Cardiff Capital Region Joint Committee (Regional Cabinet)**
Leader of Council and Deputy Leader of Council - Councillor S. Morgan and Councillor J. Pritchard be appointed.
7. **Cardiff Capital Region Joint Scrutiny Committee**
Councillor A. Whitcombe and Councillor C. Elsbury be appointed.
8. **Care and Repair - Caerphilly**
Councillor S. Cook and Private Sector Housing Manager be appointed.
9. **Citizens Advice Bureau Trustee Board**
Councillor N. George be appointed.
10. **Coleg Gwent Further Education Corporation (Crosskeys Community Partnership)**
Councillor C. Andrews be appointed.
11. **Coleg Harlech WEA North**
Councillor C. Andrews be appointed.
12. **Coleg Y Cymoedd Corporation (formerly Ystrad Mynach College Board of Governors)**
Sian Farquharson, Challenge Advisor EAS
13. **Corporate Parenting Group**
Councillors E. Forehead, C. Andrews, Councillors D. Cushing, C. Bishop, B. Miles (Foster Panel Member) be appointed.
14. **Corporate Safeguarding Group**
Councillors C. Andrews and E. Forehead, D. Cushing and C. Bishop, T. Heron, K. Etheridge be appointed.
15. **Fields in Trust (formerly National Playing Fields Association)**
Councillor C. Morgan be appointed.
16. **Glamorgan Archives Joint Committee**
Councillor C. Andrews and J. Simmonds be appointed.
17. **Greater Gwent Cremation Joint Committee – 2 Members**
Councillors J. Simmonds and J. Taylor be appointed.
18. **Groundwork Wales**
S. Williams be appointed.
19. **Gwent Association of Voluntary Organisations**
Councillor C. Andrews be appointed.

20. **Gwent Regional Partnership Board**
Councillor E. Forehead be appointed.
21. **Gwent Archives Joint Committee – 2 Members**
Councillors C. Andrews and J. Simmonds be appointed.
22. **Gwent Police and Crime Panel - politically balanced across Gwent**
Councillors C. Forehead, M. Chacon-Dawson, C. Mann be appointed
23. **Industrial Communities Alliance (formerly Coalfield Communities Campaign)**
Councillor E. Stenner be appointed.
24. **Islwyn Indoor Bowls Club Management Board**
Councillors M. Adams and C. Morgan be appointed.
25. **Joint Council for Wales**
Councillors N. George and E. Stenner be appointed.
26. **The Learning Centre (Pupil Referral Unit)**
Councillor M. Evans be appointed.
27. **Local Authority Action for Southern Africa (LAACTSA)**
Councillor J Simmonds be appointed.
28. **Local Government Association**
Leader of the Council, Councillor S. Morgan and J. Pritchard, E. Stenner and N. George be appointed.
29. **Monmouthshire and Brecon Canal Joint Steering Group** (Formally Monmouthshire and Brecon Canal Regeneration Partnership)
Councillors J. Simmonds, C. Morgan (Councillor A. Whitcombe) be appointed.
30. **Monmouthshire Farm School Endowment Trust**
Councillor C. Andrews be appointed.
31. **PATROL** (Parking and Traffic Regulations Outside London) Adjudication Joint Committee – Councillor J. Simmonds be appointed.
32. **Pen Bryn Oer Wind Farm Community Benefit Panel**
Member for Twyn Carno Ward - Councillor C. Cuss be appointed.
33. **PFI Liaison Committee**
Cabinet Member for Education and Achievement – Councillor C. Andrews be appointed.
34. **Prosiect Gwyrdd Joint Committee**
Councillors C. Morgan and J. Pritchard be appointed.
35. **Regional Technical Statement (Aggregates)**
Councillor J. Simmonds be appointed.
36. **Regional Transport Authority**
Councillor S. Morgan be appointed.
37. **Reserve Forces and Cadets Association for Wales**
Councillor T. Heron be appointed.

38. **Safer Caerphilly Community Safety Partnership**
Councillor P. Leonard be appointed.
39. **Schools Admission Forum**
Councillor C. Andrews be appointed.
40. **Schools Budget Forum**
Councillors E. Stenner and C. Andrews be appointed.
41. **South East Area Environment Group**
Councillor C. Morgan be appointed.
42. **South East Wales Strategic Planning Group**
Councillor P. Leonard be appointed.
43. **South Wales Fire and Rescue Authority**
Councillors C. Wright, A. Hussey, C. Elsbury be appointed.
44. **South Wales Regional Aggregates Working Party**
Councillor C. Morgan be appointed.
45. **Sportlot Community Chest Panel**
Councillors A. Gair, C. Thomas and W. Williams be appointed.
46. **St. Johns Cymru Wales**
Councillor C. Andrews be appointed.
47. **Strategic Planning Panel**
Councillor P. Leonard be appointed.
48. **Urban Commission (Local Government Association)**
Councillor J. Simmonds be appointed.
49. **Wales and National Nuclear Free Zone Forum**
Councillor C. Forehead be appointed.
50. **Wales Council for Deaf People**
Councillor A. Gair be appointed.
51. **Welsh Books Council (3 years) and Wales Book Council Executive Committee (1 year)**
Councillor J. Simmonds be appointed.
52. **Welsh Centre for International Affairs**
Councillor P. Leonard be appointed.
53. **Welsh Church Fund**
Councillor E. Stenner and Substitute Councillor N. George be appointed.
54. **Welsh Local Government Association**
Leader of the Council, Councillor S. Morgan and Councillors J. Pritchard, N. George and E. Stenner be appointed.
55. **Welsh Local Government Association - Executive Board**
Leader of the Council – S. Morgan be appointed.

56. **WJEC**

Councillor C. Andrews be appointed.

57. **Workers Education Association - South Wales District Committee**

Councillor C. Forehead be appointed.

20. INDEPENDENT REMUNERATION PANEL FOR WALES ANNUAL REPORT – 2022-23 – SALARIES AND ALLOWANCES

On the advice of the Head of Legal Services and Monitoring Officer all Members declared a personal interest only as the report referred to the determinations of the Independent Remuneration Panel for Wales Salaries and Allowances for Elected Members as such all Members could take a full part in the debate and vote.

Consideration was given to the report which informed Council of the publication of the 2022/23 Annual Report from the Independent Remuneration Panel for Wales, as attached at Appendix 1 of the Officer's report.

The report also sought Council's determination on which roles should receive the senior salary payments, the appointment of civic roles and salaries together with the other ancillary matters as detailed within the report's recommendations.

It was moved and seconded that the recommendations contained in the Officer's report be approved and by way of Microsoft Forms and Verbal Confirmation and in noting there were 55 For, 1 Against and 4 Abstentions this was agreed by the majority present.

RESOLVED that: -

1. The determinations of the IRPW as set out in the Annual Report for 2022/23 be noted.
2. The following roles be confirmed that they will attract a senior salary payment: -
 - Leader of Council
 - Deputy Leader and Cabinet Member for Prosperity, Regeneration and Climate Change
 - Cabinet Member for Corporate Services and Property
 - Cabinet Member for Finance and Performance
 - Cabinet Member for Education and Communities
 - Cabinet Member for Housing
 - Cabinet Member for Highways and Transportation
 - Cabinet Member for Social Care
 - Cabinet Member for Planning and Public Protection
 - Cabinet Member for Waste, Leisure and Green Spaces
 - Leader of the Largest Opposition Group
 - Chair of the Policy and Resources Scrutiny Committee
 - Chair of the Education Scrutiny Committee
 - Chair of the Environment and Sustainability Scrutiny
 - Chair of the Housing and Regeneration Scrutiny Committee
 - Chair of the Social Services Scrutiny Committee
 - Chair of the Licensing and Gambling Committee/Taxi and General Committee
 - Chair of the Planning Committee
3. Mayor and Deputy Mayor be appointed and receive a civic salary of £25,593 and £20,540 respectively.
4. It be confirmed that a presiding officer will not be appointed.

5. Schedule of Remuneration at appendix 2 of the report be noted.
 - A) the cap on payments to co-opted members be increased from 10 to 12 full days a year for each committee to which an individual may be co-opted with voting rights.
 - B) the continuation of the approved duties in Schedule 2 be noted.
6. To note the publicity requirements set out in the IRP report and in paragraph 5.12 of the report.

21. CHANGES TO THE CONSTITUTION

Consideration was given to the report that sought Councils approval to make changes to the Constitution in light of Local Government and Election Act 2021.

Council noted that the changes to the Constitution included a new Multi-Location Meetings Policy. The aim of the policy was to outline the arrangements to be put in place which will ensure that council meetings can be held regardless of where the participants are situated. This will enable persons who are not in the same location to attending meetings. These meetings were referred to as multi-locational meetings and often termed hybrid.

The Head of Legal Services and Monitoring Officer advised Members that the proposed changes were detailed in Appendix 1 of the report and were highlighted in blue. Council was also asked to note that in accordance with the provisions of the Act council meetings would now be live streamed. Mr Tranter highlighted that the Constitution was a living document which was continually reviewed and updated to ensure its fitness for Council. Reference was made to the recent Model Constitution initiative which had sought to make a standard constitution and this had been piloted and discussed by the Monitoring Officers Wales Network, however none had adopted the model in full with the majority adopting the route being recommended to Council this evening to amend and update existing constitution to take into account changes in legislation.

Reference was made to Page 260 of the Officer's report, Part 4 – Section 10 Questions by Members and reference made to the fact that although a supplementary question could be asked of the Leader that option did not apply to Cabinet Members. The Member then sought clarification in relation to Page 310 to 312 of the Officer's report, Part 4 Section 16 Call In and the right of the Monitoring Officer in consultation with the Chairman of the Scrutiny Committee to determine the validity of a request and whether there should be a right to appeal to an independent arbitrator of perhaps a Monitoring Officer from a neighbouring authority.

The Leader of Council referenced the many routes' Members had to question the Cabinet including the Scrutiny process and did not see there being any value in prolonging Council proceedings by adding further elements to meetings. The Leader also expressed his disappointment that the Member would call in to question the professionalism of the Monitoring Officer in determining the validity of a call and emphasised his respect for Mr Tranter and his role.

The Head of Legal Services and Monitoring Officer confirmed that changes to the Constitution were a matter for Council, including the Call-In process and he would abide by the decision of Council.

It was moved and seconded that the recommendation contained in the Officer's Report be approved and by way of Microsoft Forms and Verbal Confirmation and in noting there for 55 For, 2 Against and 4 Abstentions this was agreed by the majority present.

RESOLVED that the changes to the Constitution attached at Appendix 1 of the report be approved.

The meeting closed at 19:03pm

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 19th July 2022 they were signed by the Mayor.

MAYOR



COUNCIL – 19TH JULY 2022

SUBJECT: NOTICE OF MOTION – GOVERNMENT CUTS

REPORT BY: CORPORATE DIRECTOR EDUCATION AND CORPORATE SERVICES

1. PURPOSE OF REPORT

- 1.1 Council is asked to consider the Notice of Motion as set out in paragraph 5.1 of the report and make an appropriate recommendation. In accordance with Rule 11(3) of the Constitution, the Mayor has agreed to allow the motion to be dealt with at Council without being first considered at an overview and scrutiny committee in order to expedite business.

2. SUMMARY

- 2.1 A Notice of Motion has been received from Councillor S. Morgan and is supported by Councillors J. Pritchard, N. George, E. Stenner, C. Andrews, J. Simmonds, S. Cook, E. Forehead, P. Leonard, and C. Morgan.
- 2.2 The Notice of Motion meets the criteria set out in the Council's Constitution and in accordance with the Council's Rules of Procedure is now referred to the Council for consideration.

3. RECOMMENDATION

- 3.1 Council are asked to consider the Notice of Motion as outlined in paragraph 5.1 and make an appropriate recommendation.

4. REASONS FOR THE RECOMMENDATION

- 4.1 In accordance with the Council's Constitution.

5. THE REPORT

5.1 Notice of Motion

In his Notice of Motion Councillor Morgan asks Council to: -

Write to the UK Government on behalf of Elected Members to ask for a full increase in funding support for Local Authorities, commensurate with a real terms increase for staff in order to restore some sustainability back into the system. Because without the professionalism and dedication of our staff, the Council services our residents rely on would not be delivered.

- 5.2 Councillor Morgan provides the following information in support of his notice of motion and asks Council to note that: -

The Local Government Association (LGA) has identified a decrease in UK Government funding of almost 60 per cent for Local Authorities in England and Wales between 2010 and 2020.

Over the last two years, Councils have led the way in efforts against the Covid-19 pandemic, providing a huge range of services and support for our communities. Local Government has shown more than ever how indispensable it is. But Covid has led to a massive increase in expenditure and loss of income, and as we emerge from the pandemic, Local Authorities and schools need far more financial support from Westminster.

Council and school workers kept our communities safe through the pandemic, often putting themselves at considerable risk as they work to protect public health, provide quality housing, ensure our children continue to be educated, and look after older and vulnerable people for example.

Since 2011, the Local Government workforce has endured years of pay restraint. Whilst the pay cap was removed in 2018, by autumn 2017 public sector pay had fallen behind private sector pay for comparable work. Staff are now facing the worst cost of living crisis in a generation, with RPI forecast by the Office for Budgetary Responsibility (OBR) to average at 9.8% across 2022 and currently running at 11.1%. Many staff are having to make impossible choices between food, heating and paying for other essentials. This a terrible situation for everyone to find themselves in.

At the same time, workers have experienced ever-increasing workloads and job insecurity. [The Local Government Chronicle](#) has indicated that between 2010 and 2018 there were more than 220,000 redundancies of Local Authority employees and nearly £4 billion was spent on redundancy payments.

Unison advise that recent research shows that if the Government were to fully fund the Unions' 2022 pay claim, around half of the money would be recouped thanks to increased tax revenue, reduced expenditure on benefits and tax credits, and increased consumer spending in the local economy.

This Council is now asked by the Joint Trade Unions of GMB, Unison and Unite to support this Notice of Motion.

6. ASSUMPTIONS

- 6.1 As a notice of motion is a procedural matter and must be dealt with in accordance with Council's Constitution, no assumptions have been made.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 This report does not require an Integrated Impact Assessment as it relates to a procedural matter under the Council's Constitution.
- 7.2 The procedural rules regarding a Notice of Motion are contained within Council's Constitution as adopted in May 2002. The Council's Constitution sets out the framework for the decision-making roles and responsibilities.
- 7.3 However the outcome of the Notice of Motion and any subsequent reports arising from it may require an Integrated Impact Assessment.

8. FINANCIAL IMPLICATIONS

- 8.1 There are no financial implications associated with this report.

9. PERSONNEL IMPLICATIONS

- 9.1 There are no personnel implications associated with this report.

10. CONSULTATIONS

- 10.1 There has been no consultation undertaken as a notice of motion is a procedural matter and has met the criteria as set out in the Council's Constitution.

11. STATUTORY POWER

- 11.1 Local Government Act 2000

Author: Emma Sullivan (Senior Committee Services Officer)

Appendices:

Appendix 1 Signed copy of Notice of Motion.

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NOTICE OF MOTION – GOVERNMENT CUTS

The Council notes:

The Local Government Association (LGA) has identified a decrease in UK Government funding of almost 60 per cent for Local Authorities in England and Wales between 2010 and 2020.

Over the last two years, Councils have led the way in efforts against the Covid-19 pandemic, providing a huge range of services and support for our communities. Local Government has shown more than ever how indispensable it is. But Covid has led to a massive increase in expenditure and loss of income, and as we emerge from the pandemic, Local Authorities and schools need far more financial support from Westminster.

Council and school workers kept our communities safe through the pandemic, often putting themselves at considerable risk as they work to protect public health, provide quality housing, ensure our children continue to be educated, and look after older and vulnerable people for example.

Since 2011, the Local Government workforce has endured years of pay restraint. Whilst the pay cap was removed in 2018, by autumn 2017 public sector pay had fallen behind private sector pay for comparable work. Staff are now facing the worst cost of living crisis in a generation, with RPI forecast by the Office for Budgetary Responsibility (OBR) to average at 9.8% across 2022 and currently running at 11.1%. Many staff are having to make impossible choices between food, heating and paying for other essentials. This a terrible situation for everyone to find themselves in.

At the same time, workers have experienced ever-increasing workloads and job insecurity. The [Local Government Chronicle](#) has indicated that between 2010 and 2018 there were more than 220,000 redundancies of Local Authority employees and nearly £4 billion was spent on redundancy payments.

Unison advise that recent research shows that if the Government were to fully fund the Unions' 2022 pay claim, around half of the money would be recouped thanks to increased tax revenue, reduced expenditure on benefits and tax credits, and increased consumer spending in the local economy.

This council is now asked by the Joint Trade Unions of GMB, Unison and Unite to support this NOM.

Notice of Motion –

That the Leader of Council writes to the UK Government on behalf of Elected Members to ask for a full increase in funding support for Local Authorities, commensurate with a real terms increase for staff in order to restore some sustainability back into the system. Because without the professionalism and

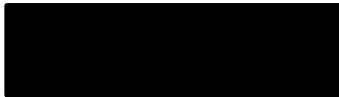
dedication of our staff, the Council services our residents rely on would not be delivered.



Councillor Sean Morgan
Leader of Council



Councillor James Pritchard
Deputy Leader, Cabinet Member
for Prosperity, Regeneration &
Climate Change



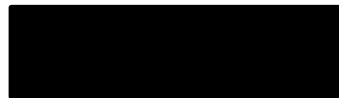
Councillor Nigel George
Cabinet Member for Corporate Services
& Property



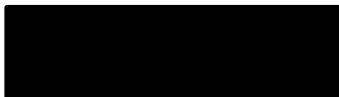
Councillor Eluned Stenner
Cabinet Member for Finance
& Performance



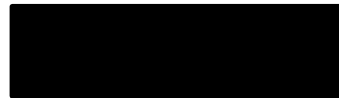
Councillor Carol Andrews
Cabinet Member for Education
& Communities



Councillor Julian Simmonds
Cabinet Member for Highways &
Transportation



Councillor Shayne Cook
Cabinet Member for Housing



Councillor Elaine Forehead
Cabinet Member for Social Care



Councillor Philippa Leonard
Cabinet Member for Planning
Leisure
& Public Protection



Councillor Chris Morgan
Cabinet Member for Waste,
& Green Spaces



COUNCIL – 19TH JULY 2022

SUBJECT: HOUSING REVENUE ACCOUNT BUSINESS PLAN 2022/23

REPORT BY: CORPORATE DIRECTOR OF SOCIAL SERVICES AND HOUSING

1. PURPOSE OF REPORT

On the 15th March 2022, members of the Housing & Regeneration Scrutiny Committee considered the Housing Revenue Account (HRA) Business Plan 2022/23 prior to approval at Cabinet on 23rd March 2022, and also recommended that Cabinet submit this report to Council to request an extension to the borrowing cap, which forms part of the recommendations on this report. The HRA Business Plan is an annual requirement from Welsh Government as part of the annual submission of the Major Repairs Allowance (MRA) grant application.

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.
- 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 Councils 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.
- 2.3 Now that all the Local Housing Authorities have met the WHQS, there is a requirement for WG to develop an updated version of the standard so that LHA's can maintain its properties to the standard whilst incorporating new challenges. There has been an independent summative evaluation of WHQS in June 2021 and WG intend to launch WHQS 2 in 2023 following a period of consultation which is currently ongoing until the 3rd August 2022.. 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 2022/23 Business Plan, however, WG acknowledge that LHA's 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, other than some specific questions around the value of decarbonised related work already factored into our existing programmes. Therefore, borrowing that may be anticipated to meet the new standard is not included in this report.
- 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 has been subsequently revised as the WHQS programme has been progressing. In 2014, the borrowing was revised to £55m, and in 2019, the borrowing profile was amended to include funding for the first draft of our ambitious new build programme. The borrowing level is currently £75m which was estimated to be £45m for WHQS and £30m for the initial investment for increasing housing supply. Further development programmes are likely to require additional borrowing.

- 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, which could impact significantly on our new build commitments and the ambitious decarbonisation agenda that is ahead of us.

3. RECOMMENDATIONS

- 3.1 That Council approve the extension on the HRA borrowing cap to £90m to allow the new build programme to progress.

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. 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 WG 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.
- 4.3 Borrowing is necessary to be able to fund the new build programme and will be reviewed annually. The building of new affordable homes is a corporate commitment, and a Welsh Government directive.

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 was 31st March 2022 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 Capita Services 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 Capita 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. 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. WG have also requested a specific sensitivity test in respect of decarbonisation.
- 5.10 A template is also required that captures LHA's development and acquisition plans.
- 5.11 The HRA Business Plan for 2022/23 has made the following assumptions. Note that this shows only 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.

5.12 Inflation rates

Every year, as part of the Business Planning Guidance, WG advise LHA's to use 2% as a typical inflation rate. This year 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. UK RPI forecasts for next 5 years are as follows (source: statista.com)

2022/23	5%
2023/24	3.4%
2024/25	2.8%
2025/26	2.8%
2026/27	2.9%

- 5.13 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, has 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 suggests the pressure is expected to continue until the end of 2022, However, it is felt prudent to increase 2023/24 to 5% to allow for the impact of the energy price increases which is likely to affect the cost of materials further in the short term. Further testing for higher increases are factored into the sensitivity analysis on 5.29 below

5.14 Interest rates/Financing Costs

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. These rates will change depending on the debt profile and are updated regularly throughout the year. The interest rate charged to the HRA includes the borrowing requirement within the current Business Plan and is currently forecasted to be as follows

2022/23	4.27%
2023/24	4.25%
2024/25	4.15%
2025/26	3.95%
2026/27	3.87%

5.15 Rent Increase

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%. The CPI rate used for the 2022/23 was the previous September's rate which was 3.1%, therefore WG decided to remove the "plus 1%" from the 2022/23 rent policy meaning the maximum rent increase could not be any more than 3.1%.

- 5.16 Members agreed from a selection of options to increase the 2022/23 rent by 2%. This has been factored into the 2022/23 estimates. 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% as follows

2022/23	2% as agreed by members
2023/24	2.6% plus 1% = 3.6%
2024/25	2.1% plus 1% = 3.1%

2025/26	2% plus 1% = 3%
2026/27	2% plus 1% = 3%

- 5.17 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. This will be reviewed mid 2022 in advance of the 2023/23 rent setting process. Early indications of this model suggest Caerphilly Homes rents are a favourable comparison. Other indications such as the All-Wales statistics also confirm Caerphilly rents are one of the lowest of the LHA's at about 4% lower than the average, yet earnings within the area are some 3.5% higher than the All-Wales average (2019/20 stats). 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 5.31 & 5.32 below on sensitivity testing)
- 5.18 For future years (from 2027/28 onwards) within the plan, rent increases have assumed to be 3% but these will be reviewed as we progress through the next 5 years when inflation is confirmed and also how the JRF affordability model impacts on our rent structure.
- 5.19 Level of bad debts and voids
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. LHA's have also started a rent and arrears working group with WG to compare and share best practise going forward as a consequence of the arrears position due to the pandemic and the impact on tenants. In December 2020 voids had increased to 2.8% and arrears to 4.24% but this level has started to improve for a number of reasons previously reported in the HRA budget monitoring reports. In December 2021, voids were 2.52% and arrears were 4.29%. However, the plan has assumed 7% in total for 2022/23 which is an increase on the bad debt due to the increase in energy and food prices that is likely to impact tenants. The 7% will remain in 2023/24 and reduce to 6.5% in 2024/25, showing a slight reduction to 5.5% 2 years later for the rest of the plan. This assumption is clearly volatile and is therefore included in the sensitivity testing shown in 5.34.
- 5.20 Stock Count
The current stock count is 10,660. This includes 10,649 of tenanted stock and 11 units that are out of debit within a scheme that is proposed for demolition. However, as the 11 units are under one scheme, they are included within our total stock count as we are still responsible for managing and maintaining the scheme, and these costs are still factored into the Housing Business Plan until 2023/24 when they are proposed to be demolished.
- 5.21 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.
- 5.22 The increase in stock is detailed in 5.24 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. We have been awarded £10.7m of SHG for the period April 2021 to March 2026.
- 5.23 Pay Awards
The assumptions factored into the 2022/23 Draft Budget Proposals report (Cabinet 19/1/22)

for the Council have been considered against the HRA Business Plan. The forecasted increases in terms of Pay Award, National Insurance and Employers Pension Contributions for 2023/24 and 2024/25 have been applied and show that the initial inflation rates in 5.12 account for the increases over the next 3 years.

5.24 New Build proposals and grants

The current proposals allow for 405 units (social rented and blended tenure schemes) over the period 2022/23 to 2025/26 at a cost of some £100m. Funding assumptions include the Social Housing Grant of £10.7m recently awarded by WG up to 2024/25. Further funding options need to be explored and include the Land and Buildings Development Fund, The Health and Care Fund, and the Cardiff City Region Deal. It is worth noting that the previous year's Housing Business Plan allowed for 230 units, so there is momentum in terms of increasing housing supply.

5.25 The value of the HRA in 2022/23 with the rent increase of 2% is £52m. The cost of managing and maintaining the service is essentially funded from this, and these costs are entered into the plan which includes a £15.9m commitment towards the capital programme. The capital programme is £27.9m and this includes £20.4m to maintain the WHQS programme (PAMS programme), £0.7k for increasing housing supply and £6.6m for adaptations, other large scale void work, and one-off committed projects (Note the level of spend for increasing housing supply appears low in this year, as this relates to retentions and finalising 2 schemes that will release 18 units in 2022/23. The volume of expenditure will increase in 2023/24 where several schemes have been identified to supply some 211 units at £52m.). It is however worth noting that the current proposals can change quickly as more schemes are identified and some existing proposals may not come to fruition.

5.26 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 £43.5m and this requires a borrowing commitment of some £45.6m (£17.1m in 2023/24 and £28.5m in 2024/25). The total borrowing commitment, when factoring in the amount already borrowed for the WHQS programme is not within the current borrowing cap approved by Council. Total borrowing would currently stand at some £86.5m which would be £11.5m over the £75m 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 number of proposed units have increased by 175 compared to the previous plan, which will increase costs significantly and result in further borrowing. It is also worth noting that there may be other funding streams available, as schemes are investigated further, which would reduce costs, thus reducing the borrowing requirement. Officers recommend the borrowing level be increased to £90m at this stage to ensure adequate funding is available for the current new build proposals within the 2022/23 Housing Business Plan. Borrowing is not required until year 2 of the plan (2023/24).

5.27 To date the HRA has borrowed £40.9m towards achieving WHQS therefore any further borrowing is now committed principally towards increasing our housing supply. The maintenance of the WHQS programme is now under our Post Asset Management Strategy (PAMS) programme and is currently funded from our existing HRA resources and MRA grant from WG, although we await the new version of the WHQS 2 which will undoubtedly affect this profile.

5.28 The Housing Business Plan for 2022/23 confirms that the HRA remains viable with the £45.6m borrowing, as it demonstrates a surplus in the operating account (see appendix A) and the capital account is fully financed (see appendix B)

5.29 Sensitivity Analysis

5.30 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)

5.31 S1 - A decrease in rent levels to CPI only (2.6%) in year 1

DESCRIPTION: if CPI falls below 0% or higher than 3% then the policy would revert to CPI only (As in 2022/23). Although forecasts suggest CPI will be within this threshold, the market is very volatile so a variation in rent levels needs to be tested. Year 1 of the Housing Business Plan assumes 3.6% (CPI + 1%). The sensitivity reduces this to 2.6% (CPI only)

IMPACT: Less income to achieve what is already committed in the base plan by £950k and a reduction of surpluses over 10 years of some £16.3m.

MITIGATION: Cannot reduce the New Build Programme in Year 1 as it is a continuation of the previous year's schemes. The PAMS programme could be reduced but this would mean the timescales for properties maintaining their lifecycles would not be met. It would be equivalent to 487 doors or 158 roofs or 146 windows not being maintained and having to be pushed further into the programme, having a knock-on effect on the remainder of the programme. Additional borrowing of £992k over years 1 & 2 would fund the shortfall. The increased borrowing would remain within the current recommended borrowing level of £90m. WHQS and the New Build programme would remain on track if all other assumptions remained. The HRA would remain viable but with a reduction of £16.3m capacity over 10 years meaning less funding capacity for future challenges e.g., WHQS 2, Decarbonisation and further increasing housing supply.

5.32 S2 - A decrease in rent levels to 2% in year 1

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

IMPACT: Less income to achieve what is already committed in the base plan by £1.5m and a reduction of surpluses over 10 years of some £28.9m.

MITIGATION: Cannot reduce the New Build Programme in Year 1 as it is a continuation of the previous year's schemes. The PAMS programme could be reduced but this would mean the timescales for properties maintaining their lifecycles would not be met. It would be equivalent to 789 doors or 256 roofs or 237 windows not being maintained and having to be pushed further into the programme, having a knock-on effect on the remainder of the programme. Additional borrowing of £1.7m over years 1 & 2 would fund the shortfall. The increased borrowing would remain within the current recommended borrowing level of £90m. WHQS and the New Build programme would remain on track if all other assumptions remained. The HRA would remain viable but with a reduction of £28.9m capacity over 10 years meaning less funding capacity for future challenges e.g. WHQS 2, Decarbonisation and further increasing housing supply

5.33 S3 - An increase of material costs to 10% in year 1

DESCRIPTION: The volatility of the construction sector due to the pandemic and Brexit has seen unprecedented increases in material costs. The base plan allows for a further 5% increase in year 1 but due to the volatility a further sensitivity is tested with a 10% increase

IMPACT: Less income to achieve what is already committed in the base plan by £1.1m and a reduction of surpluses over 10 years of some £16.1m.

MITIGATION: Cannot reduce the New Build Programme in Year 1 as it is a continuation of the previous year's schemes. The PAMS programme could be reduced but this would mean the timescales for properties maintaining their lifecycles would not be met. It would be equivalent

to 641 doors or 208 roofs or 192 windows not being maintained and having to be pushed further into the programme, having a knock-on effect on the remainder of the programme. Additional borrowing of £1.25m over years 1 & 2 would fund the shortfall. The increased borrowing would remain within the current recommended borrowing level of £90m. WHQS and the New Build programme would remain on track if all other assumptions remained. The HRA would remain viable but with a reduction of £16.1m capacity over 10 years meaning less funding capacity for future challenges e.g., WHQS 2, Decarbonisation and further increasing housing supply

5.34 S4 - An increase in bad debts to 8% in years 1 & 2

DESCRIPTION: The base plan assumes 7% for void and bad debts made up of 2.5% voids and 4.5% bad debts. The level of bad debts has increased due to the pandemic and an allowance has been made in the base plan for a further increase due to expected increases in energy and food prices. It is worth testing this further by increasing the bad debt to 5.5% over a two-year period (total combined bad debt and voids would therefore be 8%)

IMPACT: Less income to achieve what is already committed in the base plan by £1.1m and a reduction of surpluses over 10 years of some £2.8m.

MITIGATION: Cannot reduce the New Build Programme in Year 1 as it is a continuation of the previous year's schemes. The PAMS programme could be reduced but this would mean the timescales for properties maintaining their lifecycles would not be met. It would be equivalent to 641 doors or 208 roofs or 192 windows not being maintained and having to be pushed further into the programme, having a knock-on effect on the remainder of the programme. Additional borrowing of £1.14m in year 1 would fund the shortfall. The increased borrowing would remain within the current recommended borrowing level of £90m. WHQS and the New Build programme would remain on track if all other assumptions remained The HRA would remain viable but with a reduction of £2.8m capacity over 10 years meaning less funding capacity for future challenges e.g., WHQS 2, Decarbonisation and further increasing housing supply. Also, more resource would be needed to support tenants with increased debt.

5.35 S5 – Combination of S1 & S3 – Reduce rent to CPI only and increase material costs to 10%

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 2.6% in year 1 and materials increasing to 10% in year 1.

IMPACT: Less income to achieve what is already committed in the base plan by £2.9m and a reduction of surpluses over 10 years of some £27.9m.

MITIGATION: Cannot reduce the New Build Programme in Year 1 as it is a continuation of the previous year's schemes. The PAMS programme could be reduced but this would mean the timescales for properties maintaining their lifecycles would not be met. It would be equivalent to 1487 doors or 483 roofs or 446 windows not being maintained and having to be pushed further into the programme, having a knock-on effect on the remainder of the programme. Additional borrowing of £3.4m in year 2, 3 & 5 would fund the shortfall. The increased borrowing would total £94.6m and would not be within the current recommended borrowing level of £90m. A further report to Council would be needed to increase the limit with no further productivity. WHQS and the New Build programme would remain on track if all other assumptions remained. The HRA would remain viable but with a considerable reduction of £27.9m capacity over 10 years meaning less funding capacity for future challenges e.g. WHQS 2, Decarbonisation and further increasing housing supply.

5.36 S6 – Maximum costs for Decarbonisation before breaching reserve and borrowing

limits

DESCRIPTION: WG has specifically asked for this sensitivity to be tested. Whilst they acknowledge that LHA's will not have robust models costed for decarbonisation, they still require to show what is the maximum allowance in the Housing Business Plan for decarbonisation costs before the internal borrowing limit and/or the HRA reserve is breached. All of the current HRA reserves are factored into the current business plan therefore there is no further manoeuvre to be considered, so the test is run against the internal borrowing limit of the recommended £90m.

IMPACT: Maximum of £3.2m additional spend in year 2 of the plan could be used for decarbonisation works before the internal borrowing limit is breached. Further borrowing would be required of £3.5m in years 2 & 3.

MITIGATION: This would not be sufficient funding for an effective decarbonisation programme, and the £3.2m flexibility is really only useful for contingencies within our current programmes or in the event of some of the sensitivities above.

To meet the decarbonisation agenda., costs of about £30k per property have been suggested in network meetings with other LA's. To factor this cost into the Housing Business Plan would mean an additional cost of some £319.7m. This would be equivalent to nearly £40m additional cost over the next 8 years until 2030, with a further borrowing requirement of £470.6m over the next 15 years, which is significantly higher than the cost of achieving the WHQS to all our properties. The CFR debt charges would increase to £217m over the next 10 years, an increase of £125m of what is in the current plan. The level of borrowing would be higher than the Councils overall CFR level for the whole of the Councils General Fund, and whilst it may appear affordable in the plan, the risk is significantly high for the Council when relying on the level of assumptions within the plan. The HRA surpluses generated over this period would be limited to the minimum level of £100 per property which would not be sufficient contingency for a programme of this magnitude.

- 5.37 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.

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 2022/23 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 The proposals contained in this report will not alter the current arrangements of HRA personnel.

10. CONSULTATIONS

- 10.1 At Cabinet on the 23/3/22, consideration was given to the report which asked Members to consider the views of the Scrutiny Committee held on the 15/3/22 and approve the submission of the report to Council to request an extension on the HRA borrowing cap to £90m to allow the new build programme to progress.
- 10.2 Reference was made to existing borrowing levels which stood at £75 million. It was confirmed that £45 million of this capital was initially allocated to the Welsh Housing Quality Standard Scheme and £30 million would be invested in the increased housing supply. However, it was noted that the level of borrowing is likely to increase as the New Build Programme progresses, hence, with approval from Council, the Authority were looking to borrow the additional amount.
- 10.3 It was advised that borrowing for new build would not be required until the next financial year.
- 10.4 Members welcomed the report and were supportive of its recommendations. Overall, it was felt that the additional borrowing was required to deliver the ambitious New Build Programme.
- 10.5 Following consideration and discussion, it was moved and seconded that the recommendation in the report be approved. By way of electronic voting this was unanimously agreed.

11. STATUTORY POWER

- 11.1 Local Government Act 1972.

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Consultees: Housing & Regeneration Scrutiny Committee - 15/3/2022
Cabinet - 23/3/2022
Cllr Shayne Cook - Cabinet Member for Housing
Cllr Sean Morgan - Leader of Council
Christina Harrhy - Chief Executive
Dave Street - Corporate Director Social Services & Housing
Ed Edmunds - Corporate Director of Education & Corporate Services
Mark S Williams - Corporate Director for Economy & Environment
Nick Taylor-Williams - Head of Housing
Robert Tranter - Head of Legal Services/Monitoring Officer
Stephen R Harris - Head of Finance and Section 151 Officer
Fiona Wilkins - Housing Services Manager
Jane Roberts-Waite - Strategy & Co-ordination Manager
Alan Edmunds - WHQS Project Manager
Jason Fellows - HRO Manager
Kerry Denman - Housing Solutions Manager

Appendices

Appendix A – HRA Business Plan (Capital)

Appendix B – HRA Business Plan (Revenue)

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Caerphilly County Borough Council
Business Plan Assumptions
Major Repairs and Improvements Financing
(expressed in money terms)

		Expenditure					Financing					Check Total £,000	
Year	Year	Catch up Repairs £,000	Planned Maint £,000	Improve ments £,000	Other £,000	Total Expenditure £,000	Borrowing £,000	RTB Receipts £,000	Other £,000	Repairs Account £,000	RCCO £,000		Total Financing £,000
1	2022.23	0	27,194	0	730	27,924	0	0	7,437	0	20,487	27,924	0
2	2023.24	0	13,271	0	54,129	67,400	17,108	0	12,680	0	37,612	67,400	0
3	2024.25	0	12,582	0	45,268	57,850	28,500	0	11,689	0	17,661	57,850	0
4	2025.26	0	16,883	0	4,768	21,652	0	0	7,363	0	14,289	21,652	0
5	2026.27	0	26,746	0	0	26,746	0	0	7,363	0	19,383	26,746	0
6	2027.28	0	21,000	0	0	21,000	0	0	7,363	0	13,637	21,000	0
7	2028.29	0	21,000	0	0	21,000	0	0	7,363	0	13,637	21,000	0
8	2029.30	0	21,000	0	0	21,000	0	0	7,363	0	13,637	21,000	0
9	2030.31	0	21,000	0	0	21,000	0	0	7,363	0	13,637	21,000	0
10	2031.32	0	21,000	0	0	21,000	0	0	7,363	0	13,637	21,000	0
11	2032.33	0	21,000	0	0	21,000	0	0	7,363	0	13,637	21,000	0
12	2033.34	0	21,000	0	0	21,000	0	0	7,363	0	13,637	21,000	0
13	2034.35	0	21,000	0	0	21,000	0	0	7,363	0	13,637	21,000	0
14	2035.36	0	21,000	0	0	21,000	0	0	7,363	0	13,637	21,000	0
15	2036.37	0	21,000	0	0	21,000	0	0	7,363	0	13,637	21,000	0
16	2037.38	0	21,000	0	0	21,000	0	0	7,363	0	13,637	21,000	0
17	2038.39	0	21,000	0	0	21,000	0	0	7,363	0	13,637	21,000	0
18	2039.40	0	21,000	0	0	21,000	0	0	7,363	0	13,637	21,000	0
19	2040.41	0	21,000	0	0	21,000	0	0	7,363	0	13,637	21,000	0
20	2041.42	0	21,000	0	0	21,000	0	0	7,363	0	13,637	21,000	0
21	2042.43	0	21,000	0	0	21,000	0	0	7,363	0	13,637	21,000	0
22	2043.44	0	21,000	0	0	21,000	0	0	7,363	0	13,637	21,000	0
23	2044.45	0	21,000	0	0	21,000	0	0	7,363	0	13,637	21,000	0
24	2045.46	0	21,000	0	0	21,000	0	0	7,363	0	13,637	21,000	0
25	2046.47	0	21,000	0	0	21,000	0	0	7,363	0	13,637	21,000	0
26	2047.48	0	21,000	0	0	21,000	0	0	7,363	0	13,637	21,000	0
27	2048.49	0	21,000	0	0	21,000	0	0	7,363	0	13,637	21,000	0
28	2049.50	0	21,000	0	0	21,000	0	0	7,363	0	13,637	21,000	0
29	2050.51	0	21,000	0	0	21,000	0	0	7,363	0	13,637	21,000	0
30	2051.52	0	21,000	0	0	21,000	0	0	7,363	0	13,637	21,000	0



Caerphilly County Borough Council
Business Plan Assumptions
Operating Account
 (expressed in money terms)

		Income					Expenditure																
Year	Year	Net rent Income	Other income	Misc Income	HRA Subsidy Receivable	Total Income	Managnt.	Depreciation	Maint.	Contribution to Repairs Account	Debt Charges	Other Revenue spend	HRA Cost of Rent Rebates	Misc expenses	HRA Subsidy Payable	Total expenses	Net Operating (Expenditure)	RCCO	Depreciation adjustment	Surplus (Deficit) for the Year	Surplus (Deficit) b/fwd	Interest	Surplus (Deficit) c/fwd
		£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
1	2022.23	49,819	298	561	0	50,678	(15,624)	0	(10,410)	0	(8,392)	0	0	(1,549)	0	(35,975)	14,703	(20,487)	0	(5,785)	28,415	255	22,886
2	2023.24	52,207	308	561	0	53,075	(16,195)	0	(10,889)	0	(8,560)	0	0	(1,602)	0	(37,245)	15,830	(37,612)	0	(21,782)	22,886	120	1,224
3	2024.25	55,038	1,340	561	0	56,940	(16,706)	0	(11,386)	0	(9,540)	0	0	(1,647)	0	(39,279)	17,660	(17,661)	0	(1)	1,224	12	1,235
4	2025.26	57,445	325	561	0	58,332	(17,202)	0	(11,799)	0	(10,170)	0	0	(1,693)	0	(40,864)	17,468	(14,289)	0	3,179	1,235	28	4,443
5	2026.27	59,210	335	561	0	60,105	(17,703)	0	(12,150)	0	(9,849)	0	0	(1,742)	0	(41,444)	18,662	(19,383)	0	(721)	4,443	41	3,762
6	2027.28	61,291	342	561	0	62,194	(18,146)	0	(12,393)	0	(9,617)	0	0	(1,777)	0	(41,933)	20,261	(13,637)	0	6,624	3,762	71	10,457
7	2028.29	63,111	348	561	0	64,021	(18,600)	0	(12,641)	0	(9,294)	0	0	(1,812)	0	(42,346)	21,674	(13,637)	0	8,037	10,457	145	18,639
8	2029.30	64,985	355	561	0	65,902	(19,065)	0	(12,894)	0	(9,058)	0	0	(1,848)	0	(42,865)	23,037	(13,637)	0	9,400	18,639	233	28,273
9	2030.31	66,915	363	561	0	67,839	(19,541)	0	(13,152)	0	(8,851)	0	0	(1,885)	0	(43,429)	24,409	(13,637)	0	10,772	28,273	337	39,382
10	2031.32	68,903	370	561	0	69,834	(20,030)	0	(13,415)	0	(8,710)	0	0	(1,923)	0	(44,077)	25,756	(13,637)	0	12,119	39,382	454	51,955
11	2032.33	70,950	377	561	0	71,888	(20,531)	0	(13,683)	0	(8,444)	0	0	(1,961)	0	(44,619)	27,269	(13,637)	0	13,632	51,955	588	66,175
12	2033.34	73,057	385	561	0	74,003	(21,044)	0	(13,957)	0	(8,276)	0	0	(2,001)	0	(45,277)	28,726	(13,637)	0	15,089	66,175	737	82,001
13	2034.35	75,228	392	561	0	76,181	(21,570)	0	(14,236)	0	(8,128)	0	0	(2,041)	0	(45,974)	30,207	(13,637)	0	16,570	82,001	903	99,474
14	2035.36	77,463	400	561	0	78,424	(22,109)	0	(14,520)	0	(7,945)	0	0	(2,081)	0	(46,656)	31,768	(13,637)	0	18,131	99,474	1,085	118,690
15	2036.37	79,765	408	561	0	80,734	(22,662)	0	(14,811)	0	(7,715)	0	0	(2,123)	0	(47,311)	33,423	(13,637)	0	19,786	118,690	1,286	139,762
16	2037.38	82,135	416	561	0	83,113	(23,229)	0	(15,107)	0	(7,467)	0	0	(2,166)	0	(47,968)	35,145	(13,637)	0	21,507	139,762	1,505	162,774
17	2038.39	84,577	425	561	0	85,562	(23,809)	0	(15,409)	0	(7,349)	0	0	(2,209)	0	(48,776)	36,786	(13,637)	0	23,149	162,774	1,743	187,667
18	2039.40	87,090	433	561	0	88,085	(24,404)	0	(15,717)	0	(7,182)	0	0	(2,253)	0	(49,557)	38,528	(13,637)	0	24,891	187,667	2,001	214,559
19	2040.41	89,679	442	561	0	90,682	(25,015)	0	(16,032)	0	(6,970)	0	0	(2,298)	0	(50,314)	40,368	(13,637)	0	26,731	214,559	2,279	243,569
20	2041.42	92,345	451	561	0	93,357	(25,640)	0	(16,352)	0	(6,817)	0	0	(2,344)	0	(51,153)	42,204	(13,637)	0	28,566	243,569	2,579	274,714
21	2042.43	95,091	460	561	0	96,111	(26,281)	0	(16,679)	0	(6,718)	0	0	(2,391)	0	(52,069)	44,042	(13,637)	0	30,405	274,714	2,899	308,018
22	2043.44	97,918	469	561	0	98,948	(26,938)	0	(17,013)	0	(6,636)	0	0	(2,439)	0	(53,026)	45,922	(13,637)	0	32,285	308,018	3,242	343,545
23	2044.45	100,830	478	561	0	101,869	(27,611)	0	(17,353)	0	(6,450)	0	0	(2,488)	0	(53,902)	47,967	(13,637)	0	34,330	343,545	3,607	381,482
24	2045.46	103,828	488	561	0	104,877	(28,302)	0	(17,700)	0	(6,229)	0	0	(2,537)	0	(54,768)	50,109	(13,637)	0	36,472	381,482	3,997	421,951
25	2046.47	106,916	498	561	0	107,975	(29,009)	0	(18,054)	0	(6,116)	0	0	(2,588)	0	(55,768)	52,207	(13,637)	0	38,570	421,951	4,412	464,933
26	2047.48	110,097	508	561	0	111,165	(29,734)	0	(18,415)	0	(6,032)	0	0	(2,640)	0	(56,821)	54,344	(13,637)	0	40,707	464,933	4,853	510,492
27	2048.49	113,371	518	561	0	114,450	(30,478)	0	(18,784)	0	(5,925)	0	0	(2,693)	0	(57,879)	56,571	(13,637)	0	42,934	510,492	5,320	558,746
28	2049.50	116,744	528	561	0	117,833	(31,240)	0	(19,159)	0	(5,829)	0	0	(2,746)	0	(58,975)	58,858	(13,637)	0	45,221	558,746	5,814	609,781
29	2050.51	120,217	539	561	0	121,317	(32,021)	0	(19,542)	0	(5,798)	0	0	(2,801)	0	(60,162)	61,154	(13,637)	0	47,517	609,781	6,335	663,633
30	2051.52	123,794	549	561	0	124,904	(32,821)	0	(19,933)	0	(5,650)	0	0	(2,857)	0	(61,262)	63,642	(13,637)	0	50,005	663,633	6,886	720,525

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