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Am unrhyw ymholiad yn ymwneud â'r agenda hwn cysylltwch â Sharon Hughes
(Rhif Ffôn: 01443 864281 Ebst: hughesj@caerphilly.gov.uk)

Dyddiad: 21 Chwefror 2023

I bwy bynnag a fynno wybod,

Cynhelir cyfarfod aml-leoliad o'r **Pwyllgor Craffu Tai ac Adfywio** yn Nhŷ Penallta, a thrwy Microsoft Teams ar **Dydd Llun, 27ain Chwefror, 2023** am **5.30 pm** i ystyried y materion a gynhwysir yn yr agenda canlynol. Gall Cynghorwyr ac aelodau'r cyhoedd sy'n dymuno siarad ar unrhyw eitem wneud hynny drwy wneud cais i'r Cadeirydd. Mae hefyd croeso i chi ddefnyddio'r Gymraeg yn y cyfarfod, mae angen o leiaf 3 diwrnod gwaith o rybudd os byddwch chi'n dymuno gwneud y naill neu'r llall. Bydd gwasanaeth cyfieithu ar y pryd yn cael ei ddarparu ar gais.

Gall aelodau'r Cyhoedd neu'r Wasg fynychu'n bersonol yn Nhŷ Penallta neu gallant weld y cyfarfod yn fyw drwy'r ddolen ganlynol: live via the following link: <https://civico.net/caerphilly>

Bydd y cyfarfod hwn yn cael ei ffrydio'n fyw a bydd recordiad ar gael i'w weld drwy wefan y Cyngor, ac eithrio trafodaethau sy'n ymwneud ag eitemau cyfrinachol neu eithriedig. Felly, bydd delweddau/sain yr unigolion sy'n siarad ar gael yn gyhoeddus i bawb drwy wefan y Cyngor: www.caerffili.gov.uk

Yr eiddoch yn gywir,

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

Christina Harrhy
PRIF WEITHREDWR

A G E N D A

Tudalennau

1 I dderbyn ymddiheuriadau am absenoldeb.

A greener place Man gwyrddach



2 Datganiadau o Ddiddordeb.

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

I gymeradwyo a llofnodi'r cofnodion canlynol:-

- 3 Pwyllgor Craffu Tai ac Adfywio a gynhaliwyd ar 31ain Ionawr 2023. 1 - 6
- 4 Ystyried unrhyw fater a gyfeiriwyd at y Pwyllgor hwn yn unol â'r drefn galw i mewn.
- 5 Blaenraglen Waith y Pwyllgor Craffu Tai ac Adfywio. 7 - 18
- 6 I dderbyn ac ystyried yr adroddiadau* Cabinet canlynol:-
1. Diweddariad Cyllid Bryn Carno – 25ain Ionawr 2023.

** Os oes aelod o'r Pwyllgor Craffu yn dymuno i unrhyw un o'r adroddiadau Cabinet uchod i gael eu dwyn ymlaen ar gyfer adolygiad yn y cyfarfod, cysylltwch â Sharon Hughes, 01443 864281, erbyn 10.00 a.m. ar ddydd Gwener, 24ain Chwefror 2023.*

I dderbyn ac ystyried yr adroddiadau Craffu canlynol:-

- 7 Cynllun Busnes – Cyfrif Refeniw Tai 2023/24. 19 - 34
- 8 Dyfodol Grŵp Gorchwyl Cartrefi Caerffili. 35 - 40

Cylchrediad:

Cyngorwyr Mrs P. Cook (Is Gadeirydd), D. Cushing, G. Ead, Mrs C. Forehead, A. Hussey, L. Jeremiah, C.P. Mann, A. McConnell, B. Owen, L. Phipps, Mrs D. Price, J.A. Pritchard, A. Whitcombe (Cadeirydd), S. Williams, W. Williams a J. Winslade

A Swyddogion Priodol

SUT FYDDWN YN DEFNYDDIO EICH GWYBODAETH

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

Mae gennych nifer o hawliau mewn perthynas â'r wybodaeth, gan gynnwys yr hawl i gael mynediad at wybodaeth sydd gennym amdanoch a'r hawl i gwyno os ydych yn anhapus gyda'r modd y mae eich gwybodaeth yn cael ei brosesu.

Am wybodaeth bellach ar sut rydym yn prosesu eich gwybodaeth a'ch hawliau, ewch i'r Hysbysiad Preifatrwydd Cyfarfodydd Pwyllgor Llawn ar ein gwefan <http://www.caerffili.gov.uk/Pwyllgor/Preifatrwydd> neu cysylltwch â Gwasanaethau Cyfreithiol drwy e-bostio griffd2@caerffili.gov.uk neu ffoniwch 01443 863028.



HOUSING AND REGENERATION SCRUTINY COMMITTEE

MINUTES OF THE MULTI-LOCATIONAL MEETING HELD AT PENALLTA HOUSE AND VIA MICROSOFT TEAMS ON TUESDAY, 31ST JANUARY 2023 AT 5.30 P.M.

PRESENT:

Councillor A. Whitcombe – Chair
Councillor P. Cook – Vice Chair

Councillors:

G. Ead, C. Forehead, A. Hussey, L. Jeremiah, A. McConnell, B. Owen, L. Phipps, Mrs D. Price, J. A. Pritchard, S. Williams, W. Williams and J. Winslade.

Cabinet Members:

Councillor S. Cook (Housing) and Councillor J. Pritchard (Prosperity, Regeneration and Climate Change).

Together with:

M. S. Williams (Corporate Director for Economy and Environment), N. Taylor-Williams (Head of Housing), R. Kyte (Head of Regeneration and Planning), H. Munro (Caerphilly Place-Making Programme Manager), A. Dallimore (Regeneration Services Manager), C Davies (Private Sector Housing Manager), R. Evans-McLean (Principal Housing Officer - Communities), C. Forbes-Thompson (Scrutiny Manager) and S. Hughes (Committee Services Officer).

RECORDING ARRANGEMENTS

The Chair reminded those present that the meeting would be live-streamed and a recording made available to view via the Council's website, except for discussions involving confidential or exempt items - [Click here to view](#). The Committee was advised that voting on decisions would be taken via Microsoft Forms.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors D. Cushing and C. Mann.

2. DECLARATIONS OF INTEREST

During the course of debate Councillor J. A. Pritchard declared a personal interest only in

relation to Agenda Item No. 7 – Private Sector Empty Homes Strategy 2023-2028, in that her son is looking to purchase a house in the area. As there was no requirement for her to leave the meeting, she took full part in the debate and vote. Details are also minuted with the respective item.

During the course of debate Councillor G. Ead declared a personal interest only in relation to Agenda Item No. 8 – Caerphilly Town 2035 - Project Overview and Progress Report, in that he lives in close proximity to the town centre. As there was no requirement for him to leave the meeting, he took full part in the debate. Details are also minuted with the respective item.

3. MINUTES – 29TH NOVEMBER 2022

It was moved and seconded that the minutes of the meeting held on 29th November 2022 be approved as a correct record. By way of Microsoft Forms (and in noting there were 12 for, 0 against and 1 abstention) this was agreed by the majority present.

RESOLVED that the minutes of the Housing and Regeneration Scrutiny Committee meeting held on 29th November 2022 (minute nos. 1 - 9) be approved as a correct record and signed by the Chair.

4. CALL-IN PROCEDURE

There had been no matters referred to the Scrutiny Committee in accordance with the call-in procedure.

5. HOUSING AND REGENERATION SCRUTINY COMMITTEE FORWARD WORK PROGRAMME

Members were advised that the Housing and Regeneration Scrutiny Committee meeting scheduled for 14th March 2023 will be brought forward to a date to be confirmed.

Following consideration of the report, it was moved and seconded that the recommendations be approved. By way of Microsoft Forms (and in noting there were 13 for, 0 against and 0 abstentions) this was unanimously agreed.

RESOLVED that the Housing and Regeneration Scrutiny Committee Forward Work Programme be published on the Councils' website.

6. CABINET REPORTS

None of the Cabinet reports listed on the agenda had been called forward for discussion at the meeting.

REPORTS OF OFFICERS

Consideration was given to the following reports.

7. PRIVATE SECTOR EMPTY HOMES STRATEGY 2023-2028

During the course of debate Councillor J. A. Pritchard declared a personal interest only in

that her son is looking to purchase a house in the area. As there was no requirement for her to leave the meeting, she took full part in the debate and vote.

The Cabinet Member for Housing introduced the report to seek the views and agreement of Members regarding the Empty Homes Strategy 2023 -2028 prior to presentation to Cabinet on 8th March 2023.

A Member expressed concerns in that the 6 months definition of an empty house, set by Welsh Government, is a very short period of time. Reference was made to the breakdown of the length of time an empty home has been empty and comparisons were made with the number of properties that had been empty for 6 months or more to the number of properties that have been empty for two years or less. A number of reasons were given as to why a home could be empty for less than two years and the Member asked how certain situations would be dealt with. The Head of Housing assured the Scrutiny Committee that there are exceptions and exclusions and an elongated sales process is one of the exclusions. The Private Sector Housing Manager highlighted that the strategy is a 2-pronged approach, the first is to prevent the properties becoming long term empty properties through education and encouragement and the second is to target those that have been empty for a considerable period, which is ten plus years.

Clarification was sought on the Council's power to use Compulsory Purchase Orders and when these powers should be used. The Scrutiny Committee was advised that Compulsory Purchase Orders is an option and would be case specific, it is however a very long process and time consuming, and often the case will be resolved before the Compulsory Purchase Order is completed. It was highlighted that even though the enforced sale option is a long process, it is quicker than the Compulsory Purchase Order option.

Reference was made to the 457 empty homes that were classified as problematic empty properties and a Member asked what other tools are available to address the issues other than formal enforcement. The Scrutiny Committee was advised that the Empty Property Team will try to build relationships with property owners, understand their issues, and manage them through a process to get the property on the housing market. The Private Sector Housing Manager informed that the Council also offer loans for empty home owners to help bring properties back into use. Members were further informed that the Empty Property Team has developed an empty homes property pack and the team are also in the process of developing a centralised website to provide information for owners. In addition the Authority is hoping to bring on board a Welsh Government National Empty Home Grant Scheme, which will be reported to Cabinet on the 22nd February 2023.

Clarification and further information were sought on the interest-free loans to the value of £35,000 for up to a maximum of 10 years for owner occupation and 5 years for rent. The Private Sector Housing Manager assured Members that the property would be inspected to ensure that it could be repaired and brought back into use. If the property needed more than £35,000 and it isn't financially viable other options would be considered and in extreme cases demolition is an option.

In response to a Members query regarding empty homes which were formerly owned by the Council, the Head of Housing advised the Committee that the Council is looking to bring back into use some of those properties to increase Council housing stock.

Following consideration of the report it was moved and seconded that the recommendations be approved. By way of Microsoft Forms (and in noting there were 12 for, 0 against and 1 abstention) this was agreed by the majority present.

RECOMMENDED to Cabinet: -

1. the 2-pronged strategic approach and associated risk assessment for dealing with private sector empty homes.
2. the comments of the Housing and Regeneration Scrutiny Committee to the strategic approach be noted and the empty homes strategy be approved.
3. the introduction of an empty homes council tax premium to incentivise private sector empty property owners into action be agreed and a further report be drafted and presented to the necessary Committees to agree the detail and bring into force.

8. CAERPHILLY TOWN 2035 - PROJECT OVERVIEW AND PROGRESS REPORT

During the course of debate Councillor G. Ead declared a personal interest only in that he lives in close proximity to the town centre. As there was no requirement for him to leave the meeting, he took full part in the debate.

The Cabinet Member for Prosperity, Regeneration and Climate Change introduced the report to provide the Scrutiny Committee with information in the form of a detailed update on the progress of the projects and initiatives contained in the Caerphilly Town 2035 placemaking plan.

The Caerphilly Place-Making Programme Manager delivered a presentation to give an overview of the major projects in Caerphilly Town Centre which included Pentrebanne Street, the Transport Interchange, the Wellbeing and Leisure Centre, Park Lane Market, Leisure Quarter/Hotel, Caerphilly Castle Quarter and the Ness Tar brownfield site.

Reference was made to the current market which is privately owned and in a poor state of disrepair. A Member sought further information on the vision for the new market and asked what engagement and support has been offered to the current traders in the market. The Committee was informed that the Cabinet Member for Prosperity, Regeneration and Climate Change and Officers have engaged with and worked with the current traders in Caerphilly Market to offer them financial and officer support to relocate to alternative venues in the town.

Further information was also sought on how the business community is being engaged with and the strategy for ensuring existing businesses in the Caerphilly Town Centre are able to benefit from regeneration and activity. The Committee was informed that in terms of engaging with the business community, a Principal Town Centre Manager and support staff have been employed to engage with businesses in Caerphilly's main town centres. In terms of the approach, Business Network meetings have taken place in the principal towns across the borough to engage with the business community and allow businesses from each town centre to meet and express their views and opinions. The Committee was also informed that Town Centre Support Officers are undertaking audits of the major town centres and the Cabinet Member for Prosperity, Regeneration and Climate Change is working with Welsh Ice and businesses on a more regular basis to build relationships further.

It was noted that the Caerphilly Town 2035 plan has over 60 projects identified for implementation and a number of concerns were raised regarding the financial implications, particularly as it is a substantial investment for only one town. The Corporate Director for Economy and Environment responded to the concerns raised, highlighting the long-term

nature of the delivery of the projects set out within the Plan. The Committee was informed that Caerphilly Town has been designated by Welsh Government as a town of regional significance and there is a significant amount of funding that has come as a result of that. The point of a long-term strategy was put into context, and it was highlighted that the projects need to be developed in order to take advantage of funding opportunities as they arise.

A Member sought further clarification and information on the 62 projects, particularly in relation to categorisation, prioritisation and consultation. The Cabinet Member for Prosperity, Regeneration and Climate Change referred the Scrutiny Committee to the Caerphilly Town 2035 website, launched in the early part of 2022, which provides detailed information on the proposals for Caerphilly Town. It was highlighted that some of the projects may not come to fruition, however they will be explored to see whether they are feasible or not in terms of implementation and consultation.

The Head of Regeneration and Planning responded to some of the queries raised during the course of the meeting. An outline was provided in terms of the Place Making Plan and the Committee was advised that a Place Making Plan is required to access the Welsh Government's Transforming Towns Programme funding. Members were informed that the Caerphilly Town 2035 Placemaking Plan was developed in 2018/19 in consultation with stakeholders and members of the public, however due to COVID there was a two-year period where engagement could not take place. Members were further informed that Cowshed has been engaged to effectively develop an engagement strategy to ensure the public can be involved at every stage of the projects. Members were asked to note that not all the projects will be Council led, as some will be private sector led. It was also pointed out that many of the grants available to businesses are county borough wide, so many businesses across the county borough are currently accessing the Caerphilly Enterprise Fund grant which enables them to upgrade their property and premises.

The Caerphilly Place-Making Programme Manager gave assurances that the engagement process will be continuous throughout the life of each project, and he highlighted the importance of the views of local residents, businesses, investors and developers to support and be a part of the implementation of the projects.

In response to a Members query it was confirmed that there would be public toilets in the transport interchange and also in the new market.

The Housing and Regeneration Scrutiny Committee noted the contents of the report and the work being undertaken in delivering key interventions to deliver on the ambitious vision for Caerphilly Town.

The meeting closed at 6.36 pm.

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 27th February 2023, they were signed by the Chair.

CHAIR

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HOUSING AND REGENERATION SCRUTINY COMMITTEE – 27TH FEBRUARY 2023

**SUBJECT: HOUSING AND REGENERATION SCRUTINY COMMITTEE
FORWARD WORK PROGRAMME**

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

1. PURPOSE OF REPORT

- 1.1 To report the Housing and Regeneration Scrutiny Committee Forward Work Programme.

2. SUMMARY

- 2.1 Forward Work Programmes are essential to ensure that Scrutiny Committee agendas reflect the strategic issues facing the Council and other priorities raised by Members, the public or stakeholder.

3. RECOMMENDATIONS

- 3.1 That Members consider any changes and agree the final forward work programme prior to publication.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To improve the operation of scrutiny.

5. THE REPORT

- 5.1 The Housing and Regeneration Scrutiny Committee forward work programme includes all reports that were identified at the scrutiny committee meeting on Tuesday 31st January 2023. The work programme outlines the reports planned for the period February 2023 to March 2023.
- 5.2 The forward Work Programme is made up of reports identified by officers and members. Members are asked to consider the work programme alongside the

cabinet work programme and suggest any changes before it is published on the council website. Scrutiny committee will review this work programme at every meeting going forward alongside any changes to the cabinet work programme or report requests.

- 5.3 The Housing and Regeneration Scrutiny Committee Forward Work Programme is attached at Appendix 1, which presents the current status as at 6th February 2023. The Cabinet Work Programme is attached at Appendix 2. A copy of the prioritisation flowchart is attached at appendix 3 to assist the scrutiny committee to determine what items should be added to the forward work programme.

5.4 **Conclusion**

The work programme is for consideration and amendment by the scrutiny committee prior to publication on the council website.

6. **ASSUMPTIONS**

- 6.1 No assumptions are necessary.

7. **SUMMARY OF INTEGRATED IMPACT ASSESSMENT**

- 7.1 As this report is for information only an Integrated Impact Assessment is not necessary.

8. **FINANCIAL IMPLICATIONS**

- 8.1 There are no specific financial implications arising as a result of this report.

9. **PERSONNEL IMPLICATIONS**

- 9.1 There are no specific personnel implications arising as a result of this report.

10. **CONSULTATIONS**

- 10.1 There are no consultation responses that have not been included in this report.

11. **STATUTORY POWER**

- 11.1 The Local Government Act 2000.

Author: Mark Jacques, Scrutiny Officer jacqum@carphilly.gov.uk

Consultees: Dave Street, Corporate Director for Social Services and Housing
Mark S. Williams, Corporate Director for Economy and Environment
Robert Tranter, Head of Legal Services/Monitoring Officer

Lisa Lane, Head of Democratic Services and Deputy Monitoring Officer,
Legal Services
Councillor Andrew Whitcombe Chair of Housing and Regeneration
Scrutiny Committee
Councillor Patricia Cook Vice Chair of Housing and Regeneration Scrutiny
Committee

Appendices:

- Appendix 1 Housing and Regeneration Scrutiny Committee Forward Work Programme
- Appendix 2 Cabinet Forward Work Programme
- Appendix 3 Forward Work Programme Prioritisation Flowchart

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Forward Work Programme - Housing & Regeneration

Date	Title	Key Issues	Author	Cabinet Member
27/02/2023 17:30	CHTG - Final Report to Council		Taylor-Williams, Nick;	Cllr. Cook, Shayne;
27/02/2023 17:30	HRA Business Plan 2022-23.		Taylor-Williams, Nick;	Cllr. Cook, Shayne;
27/02/2023 17:30	Information Item - Environment & Economy 2022-23 P9 Budget Monitoring Report		Roberts, David;	Cllr. Stenner, Eluned;
27/02/2023 17:30	Information Item - HRA Budget Monitoring Period 9		Allen, Lesley;	Cllr. Cook, Shayne;
27/02/2023 17:30	Information Item - Empty Property Grant Approval (Decision)	The new Welsh Government National Empty Property Grant Programme will launch in September 22 and ask for bids from LAs to issue grants up to a Max of £25K to owner occupiers to bring empty properties back into use. Caerphilly Homes will administer the grant for Caerphilly with an expectation that in years 2 and 3 of the 3 year programme, there will be a 35% contribution from each participating LA. The grant will be awarded on a first come first served basis.	Taylor-Williams, Nick;	Cllr. Cook, Shayne;
25/04/2023 17:30	Houses of Multiple Occupation Protocol	To advise Members of the draft protocol with regards to Houses of Multiple Occupation within the County Borough	Street, Dave;	Cllr. Cook, Shayne;
06/06/2023 17:30	LHMA (Local Housing Market Assessment) and the Welsh Government Prospectus	Welsh Government requires all Local Authorities to undertake a Local Housing Market Assessment and a Prospectus. The documents set out the requirement for housing within the county borough and is utilised to inform the LDP, the allocation of Social Housing Grant and the Council's own Caerphilly Homes development programme	Roberts-Waite, Jane;	Cllr. Cook, Shayne;
06/06/2023 17:30	Governance and Development Report	Relating to the governance arrangements that need to underpin the delivery of the 400 homes, the development process, programme and strategy.	Roberts-Waite, Jane;	Cllr. Cook, Shayne;
18/07/2023 17:30				
12/09/2023 17:30	NRW CCBC Collaboration Agreement - Cwmcarn Forest Drive	To allow Cabinet to review the outcome of the 2-year pilotin respect of the CCBC management of the Cwmcarn Forest Drive and consider whether or not to extend the collaboration agreement for the continued management of the drive with Natural Resources Wales for a further 5 year period.	Bolter, Antony;	Cllr. Pritchard, James;
12/09/2023 17:30	Private Sector Housing Renewal Policy (Sept 23)		Roberts-Waite, Jane;	Cllr. Cook, Shayne;
17/10/2023 17:30				
28/11/2023 17:30				
30/01/2024 17:30				
12/03/2024 17:30				

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Cabinet Forward Work Programme –21st February 2023

APPENDIX 2

Meeting date:	Report title:	Key issue:	Report author:	Cabinet Member:
22/02/2023 13:00	Budget Proposals for 2023/24 and Updated Medium -Term Financial Plan (MTFP)	Following the public Consultation, Cabinet to consider the outcome and endorse the 2023/24 budget proposals prior to final determination by Council on the 23rd February 2023, and to note the updated MTFP.	Stephen Harris	Cllr. Eluned Stenner
22/02/2023 13:10	Welsh Government Retail, Leisure and Hospitality Rate Relief Scheme	To provide details of the new ‘Retail, Leisure and Hospitality Rate Relief Scheme’ offered by WG for 2023/24 which the Authority must formally adopt.	John Carpenter	Cllr. Eluned Stenner
22/02/2023 13:20	Empty Property Grant Approval	For Cabinet to consider the new Welsh Government National Empty Property Grant Programme.	Nick Taylor-Williams; Claire Davies	Cllr. Shayne Cook
22/02/2023 13:30	Formalising the Youth Service Model	To seek Cabinet approval to formally adopt the blended youth work model that has successfully supported the youth service throughout the pandemic.	Paul O’Neill	Cllr. Carol Andrews
08/03/2023 13:00	Empty Homes Strategy	To seek Cabinet approval of the proposed strategy.	Claire Davies; Mark Jennings	Cllr. Shayne Cook
08/03/2023 13:10	Housing Revenue Account Business Plan 2022/23	To seek Cabinet approval of the Housing Business Plan position in advance of submitting the plan to Welsh Government by 31st March 2023.	Nick Taylor-Williams; Lesley Allen	Cllr. Shayne Cook
08/03/2023 13:20	Caerphilly Homes Task Group	To agree that the Caerphilly Homes Task Group (CHTG) ceases as the Welsh Housing Quality Standard (WHQS) Programme has been completed.	Nick Taylor-Williams	Cllr. Shayne Cook

Cabinet Forward Work Programme –21st February 2023

APPENDIX 2

Meeting date:	Report title:	Key issue:	Report author:	Cabinet Member:
08/03/2023 13:30	Private Finance Initiative (PFI)	To receive and consider a report on a review of the council's Private Finance Initiative (PFI) contracts	Stephen Harris	Cllr. Eluned Stenner
08/03/2023 13:40	Council Participation strategy 2023-2027	To seek approval of the revised participation strategy that captures the new requirements of the local government and elections act.	Hayley Lancaster; Rob Tranter	Cllr. Nigel George
08/03/2023 13:50	Caerphilly Town 2035 – New Market Park Lane (exempt item)	Exempt item subject to Public Interest Test	Hamish Munro	Cllr. James Pritchard
22/03/2023 13:00	Strategic Equality Plan Annual Report 2021-2022	For Cabinet to consider and approve the Strategic Equality Plan Annual Report 2021-2022 prior to publication on the Council's website.	Kath Peters; Anwen Cullinane	Cllr. Eluned Stenner
22/03/2023 13:20	Gender Pay Gap	To agree the Gender Pay Gap report which has to be published by 31st March 2023.	Lynne Donovan	Cllr. Nigel George
22/03/2023 13:40	Biodiversity and Grass Cutting Regimes	To seek Cabinet approval in relation to proposals to enhance and promote biodiversity in our grass cutting regimes across the county borough and following consultation with local members.	Mike Headington	Cllr. Chris Morgan
05/04/2023 13:00	Draft Waste Strategy	For Cabinet to agree the draft Waste Strategy	Marcus Lloyd	Cllr. Chris Morgan
05/04/2023 13:30	A469 Troedrihwfuwch	To seek Cabinet approval on an implementation plan to undertake a significant highway repair to the A469 north.	Mark S Williams; Marcus Lloyd	Cllr. Julian Simmonds
05/04/2023 13:40	Update on the Trinity Fields Band B project	To provide Cabinet with an update on the Trinity Fields Band B project and to seek Cabinet approval on the additional budget required to deliver the project.	Andrea West	Cllr. Carol Andrews

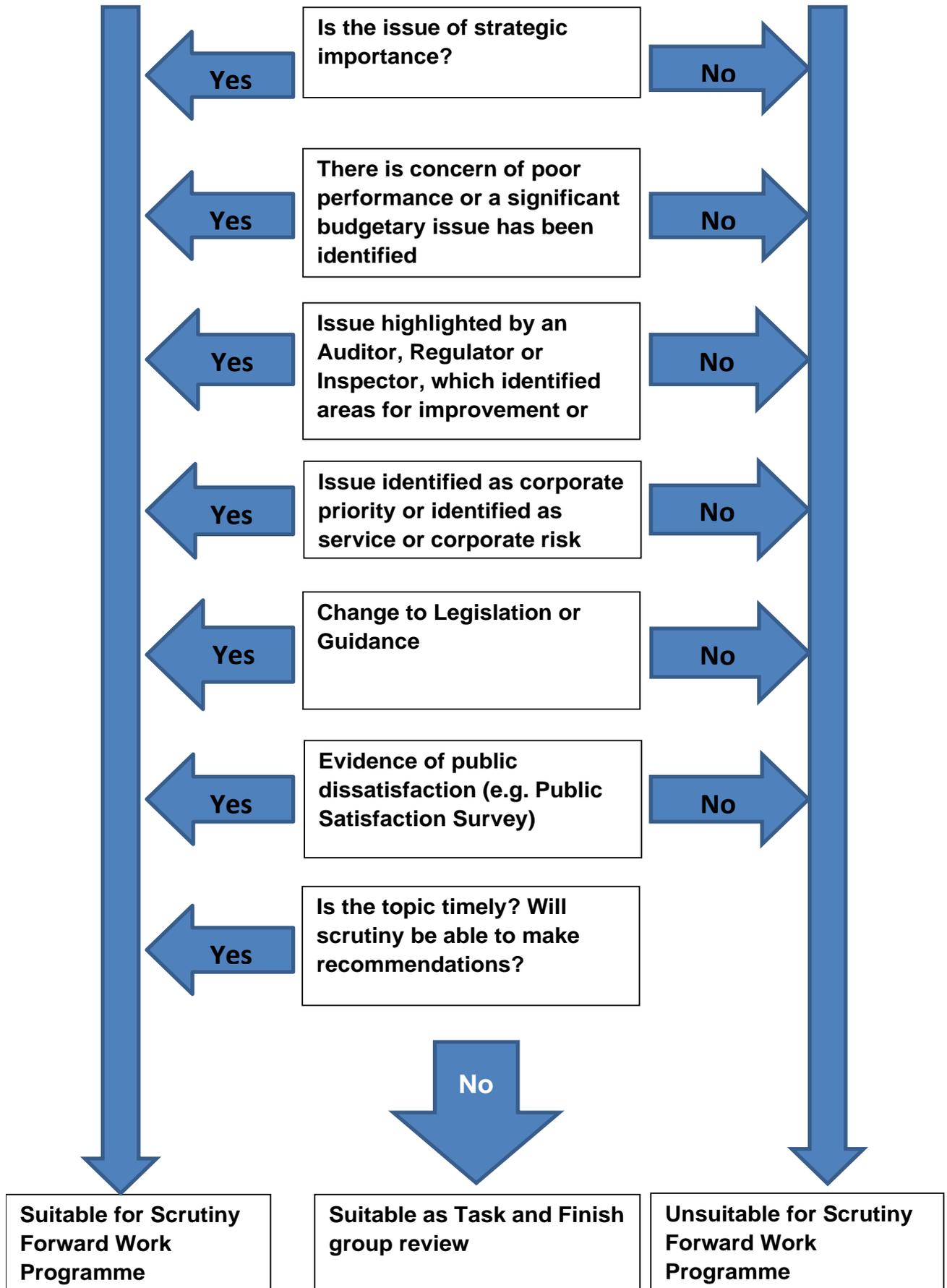
Cabinet Forward Work Programme –21st February 2023

APPENDIX 2

Meeting date:	Report title:	Key issue:	Report author:	Cabinet Member:
19/04/2023 13:00	Review of the Local Public Convenience Strategy	To seek Cabinet approval for the Council’s updated Local Public Convenience Strategy following a review and public consultation.	Rob Hartshorn	Cllr. Philippa Leonard
19/04/2023 13:10	Multi-functional Cadet and Sports Pavilion at Morgan Jones Park and Parc Penallta Visitor Centre	To update Cabinet regarding the inability to progress previously approved proposals to build a multi-functional cadet / sports pavilion at Morgan Jones Park and a Visitor Centre at Parc Penallta and to seek Cabinet approval to implement alternative schemes at both locations and to release previously approved capital contributions back to the Authority’s capital reserves.	Rob Hartshorn	Cllr. Chris Morgan
19/04/2023 13:20	Suspension of Housing Repair Grants	To determine whether Housing Repair Grants should be reinstated following their suspension during and post covid.	Nick Taylor-Williams	Cllr. Shayne Cook
03/05/2023 13:00	No items currently scheduled			
17/05/2023 13:00	Waste Strategy	For Cabinet to consider the outcome of the public Consultation and approve the final Waste Strategy.	Marcus Lloyd; Hayley Jones	Cllr. Chris Morgan
31/05/2023 13:00	Workforce Development Strategy 2021-24 - 6 month update	To provide Cabinet with a 6 month update with the progress against the Workforce Development Strategy.	Lynne Donovan	Cllr. Nigel George
31/05/2023 13:20	Employee Wellbeing Strategy 2021-24 - 6 monthly update	To provide Cabinet with a 6 month update with the progress against the Employee Wellbeing Strategy.	Lynne Donovan	Cllr. Nigel George
14/06/2023 13:00	No items currently scheduled			

Meeting date:	Report title:	Key issue:	Report author:	Cabinet Member:
28/06/2023 13:00	Local Housing Market Assessment and the Welsh Government Prospectus	For Cabinet to discuss and approve the Local Housing Market Assessment and the Welsh Government Prospectus. Welsh Government requires all Local Authorities to undertake a Local Housing Market Assessment and a Prospectus. The documents set out the requirement for housing within the county borough and is utilised to inform the LDP, the allocation of Social Housing Grant and the Council’s own Caerphilly Homes development programme.	Nick Taylor-Williams; Jane Roberts-Waite	Cllr. Shayne Cook
28/06/2023 13:20	Development and Governance Strategy	The establishment of the development strategy which details the principles, practices and governance arrangements which are needed to facilitate, enable and support the new build objectives of Caerphilly Homes now and in the future. It will tackle the challenges, the development process, development programme and strategic priorities.	Nick Taylor-Williams; Jane Roberts-Waite	Cllr. Shayne Cook
12/07/2023 13:00	No items currently scheduled			
26/07/2023 13:00	Annual Corporate Safeguarding Report plus the Annual Safeguarding Management Information Report.	To seek approval of the Annual Safeguarding reports.	Gareth Jenkins	Cllr. Elaine Forehead
26/07/2023 13:10	Day Services	For Cabinet to consider and approve the new proposed Day Services Model.	Jo Williams	Cllr. Elaine Forehead

Scrutiny Committee Forward Work Programme Prioritisation



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HOUSING AND REGENERATION SCRUTINY COMMITTEE – 27TH FEBRUARY 2023

SUBJECT: HOUSING REVENUE ACCOUNT BUSINESS PLAN 2023/24

REPORT BY: CORPORATE DIRECTOR OF SOCIAL SERVICES AND HOUSING

1. PURPOSE OF REPORT

For Members to consider and take a view on the Housing Revenue Account (HRA) Business Plan 2023/24 prior to approval at Cabinet on 8th March 2023, and also recommend 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 (WG) 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. Caerphilly Homes achieved full compliance on all its housing stock by the deadline.
- 2.2 The Business Plan is a long-term 30-year plan for managing an organisation's assets and financing the necessary investments. It is a key element in ensuring the effective long-term management and maintenance of the 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 during the Summer 2022. The responses are currently undergoing detailed analysis. 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 2023/24 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. Until the new WHQS 2023 is agreed, published and comes into effect, the

existing WHQS is extant and is the minimum that must be maintained. Therefore, borrowing that may be anticipated to meet the new standard is not included in this 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 was subsequently revised as the WHQS programme progressed. In 2014, the borrowing was revised to £55m, and in 2019, the borrowing profile was amended to £75m to include funding for the first draft of our ambitious new build programme. Council agreed in July 2022 to increase the borrowing level further to £90m as the new build programme started to be implemented. Of this £90m, £40.9m has been taken up for the WHQS programme leaving £49.1m available initially towards increasing housing supply. Further development programmes are likely to require additional borrowing, together with the impact of the unprecedented inflation increases. The £90m cap did not allow for increases in costs across the housing service, which ultimately came later in the year after the 2022/23 Business Plan was submitted.
- 2.5 As we have now achieved the target of meeting WHQS to all our eligible stock, it is thought an opportune time to report the HRA Business Plan annually to members going forward as we progress onto developing our own social housing stock. This has become more important as we have experienced such volatility within the market in terms of material costs, supply and labour resources as a result of the Covid-19 pandemic and Brexit, together with unprecedented inflation rates, which could impact significantly on our new build commitments and the ambitious decarbonisation agenda that is ahead of us.
- 2.6 Members will recall the Housing Revenue Account Charges 2023/24 report that was presented to Housing & Regeneration Scrutiny Committee on the 29th November 2022 and Cabinet on the 14th December where 6.5% rent increase was agreed for 2023/24. This report analysed some costing scenarios against the 2022/23 Housing Business Plan that had materialised since the plan was submitted to WG in March 2022. This included the higher than anticipated pay award and the impact on the increases for construction and material costs. This evidenced, that with a lower than inflation rent increase, which was agreed at 6.5%, that a further £10m would need to be borrowed to maintain current services and keep momentum with the new build programme.

3. RECOMMENDATIONS

- 3.1 That members on this committee acknowledge and consider the 2023/24 Housing Business Plan prior to its approval by Cabinet on the 8th March 2023, and its submission to WG by the 31st March 2023.
- 3.2 Members recommend that Cabinet approve the submission of this report to Council to request an extension of the HRA borrowing cap to £100m as a result of higher than anticipated inflation to maintain services and to progress with the new build programme. A provisional date for Council has been set for 23RD May 2023.

4. REASONS FOR THE RECOMMENDATIONS

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

that members are formally updated on the financial position of the HRA investment programme as part of the annual grant submission to 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 is 31st March 2023 and WG request the following documents to be included with the application:-

- An application form
- A full 30 year financial Business Plan
- Business Plan financial data summary
- New Build spreadsheet
- Business Plan narrative.

5.3 The HRA Business Plan is subject to detailed scrutiny by WG to ensure it is acceptable which means it must demonstrate:-

1. Maintenance of the WHQS
2. The HRA does not show a debit balance
3. Through stress testing the impact of positive and negative changes to key assumptions has been considered
4. An analysis of items included in the HRA certified to show it is in accordance with relevant legislation.

5.4 A Local Authority must inform WG by 31st March each year if it is unable to submit an acceptable Business Plan. The Authority will then be required to work with the support offered by WG to develop an acceptable Business Plan. Failure to do so will be treated as failure to comply with the MRA grant criteria and the grant is likely to be withdrawn.

5.5 Business Plans are owned by local authorities and are not prescriptive by WG. However, Caerphilly Homes uses a model adopted by Housing Finance Specialists (HFS) Ltd which has been sanctioned by WG. Most of the retaining Local Housing Authorities use this same model. WG also request a summary of the business plan as part of the MRA application, which is in a standard format to allow for ease of comparison against the minority of Local Housing Authorities who do not use the HFS model.

5.6 Section 76 of the Local Government and Housing Act 1989 requires that the Housing Revenue Account (HRA) cannot be set into a deficit. The Housing Business Plan is a working document and is constantly updated to reflect any changes in its original assumptions to ensure the HRA remains viable.

5.7 Once the HRA budget is set, this is added to year 1 of the 30-year Housing Business Plan, combined with the capital projections and a number of key assumptions. The plan is tested for viability in terms of its operating (revenue) account, level of reserves, capital account and its level of borrowing. Further assumptions are then made to project this position for 30 years.

5.8 Key assumptions in the plan are

- Inflation rates
- Interest rates/Financing Costs
- Rent increases or decreases
- Level of bad debts and voids
- Stock count
- Pay awards
- Financing costs

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

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

5.11 The HRA Business Plan for 2023/24 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 based on the Retail Price Index (RPI). 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. The Bank of England forecast that from mid-2023 inflation will fall sharply, perhaps below target, and expect inflation to level close to the 2% target by 2025/26. This is from their expectation that the price of energy will not continue to rise so quickly due to Government intervention schemes, also the price of imported goods won't rise so fast as some of the production difficulties start to ease, and less demand for goods and services in the UK forcing prices to rise much slower. The Bank of England has also steadily increased interest rates to attempt to bring inflation down.

The inflation rates for the Business Plan are in line with inflation rates used for the Councils Draft Budget Proposals for 2023/24. Inflation is currently at its highest level in 40 years with Consumer Price Index (CPI) inflation peaking at 11.1% in 2022. For the reasons mentioned above, 5% general inflation has been factored into the Business Plan for 2023/24 followed by a return to the 2% target.

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

2023/24	5%
2024/25	3%
2025/26	2%
2026/27	2%
2027/28	2%

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, 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 that although the material supply issues has eased, prices remain high across a range of materials. Contractors are also struggling to absorb the additional cost as well as the impact from a lack of skilled workers forcing wage costs up. The Building Cost Information Service (BCIS) has predicted a 16% rise from Q2 2022 to Q2 2027 which is an average increase of 3.2% per year. Although this does not affect all materials it is felt prudent to increase 2023/24 to 5% to also allow for the impact of the energy price increases which is likely to affect the cost of materials further in the short term. A further 2% has therefore also been included in addition to the rates above for 2024/25 to 2027/28. 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

2023/24	4.17%
2024/25	4.20%
2025/26	4.18%
2026/27	4.12%
2027/28	4.05%

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%. Due to the unprecedented CPI rate in September 2022 of 10.1%, the Minister took the decision to override the policy and restrict the rent increase for social landlords to 6.5%.

- 5.16 Members agreed to increase the 2023/24 rent by 6.5%. This has been factored into the 2023/24 estimates and year 1 of the Business Plan. For the following years, the CPI rates have been forecasted to be within the 0% and 3% protection threshold, on the basis explained in 5.12 above, therefore the assumption is that these years will attract the CPI plus 1%. Note for this purpose CPI is assumed to be the same as RPI although typically CPI tends to be slightly lower.

It is also worth noting that 2023/24 is the end of the current 5 year rent policy, so there could be a review from the Welsh Minister as to whether the policy is fit for purpose, meaning the current policy may not exist going forward.

2023/24	6.5% as agreed by members
2024/25	3% plus 1% = 4%
2025/26	2% plus 1% = 3%
2026/27	2% plus 1% = 3%
2027/28	2% plus 1% = 3%

- 5.17 If predicted correctly, this will be the maximum rent increase allowed under the rent policy and LHA's must also evidence affordability. Members recently agreed that the authority could review its rent policy to consider including an appropriate affordability model called the Joseph Rowntree Foundation (JRF) model. When setting the 2023/24 rent the JRF model evidenced that Caerphilly Homes rents are a favourable comparison. Other indications such as the All-Wales statistics also confirm Caerphilly Homes rents are one of the lowest of the LHA's at about 7% lower than the average, yet earnings within the area are some 5% higher than the All-Wales average. According to Data Stat Wales Caerphilly Homes is ranked the lowest local

Authority in Wales in terms of its weekly rent. As part of the sensitivity testing required by WG for the MRA submission, we will include scenarios for lower rents than above to test the viability of the HRA is maintained with additional borrowing. (See 5.31 & 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, if a new rent policy is introduced, and also how the JRF affordability model impacts on our rent structure. WG have yet to release the new WHQS 2023 standard which could also impact on future rent setting.

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%. In December 2021, voids were 2.52% and arrears were 4.29%. The latest position shows voids reducing to 2.16% and arrears increasing to 5.1%. Whilst the void position is starting to settle towards its typical average rate, it is clear that arrears are steadily increasing with the added impact of the Cost of Living. Caerphilly Homes is in the top quartile when compared to the other 10 LHA's. However, members will be aware of the intense tenancy support that has been offered to our tenants since the pandemic, with the focus on helping tenants to sustain their tenancies rather than evict them. This will inevitably result in an increase in arrears, with further increases expected due to the Cost-of-Living crisis. As part of the rent increase announcement for 2023/24 The Minister for Housing and Local Government instructed all social landlords to strengthen their approach to minimising all evictions, and not to evict into homelessness, a process we had already embedded within Caerphilly Homes, but with an obvious impact on arrears levels. The Business Plan model has changed slightly as to how the arrears are shown. Previously the arrears were included within the inputs as a percentage, but now the actual arrears within the balance sheet is deducted from the working balances. The only input required now is the actual provision for bad debt which is charged to the HRA each year. For 2023/24 this is 1.14% increasing in line with arrears to 2.5% in 2024/25 and a reduction to 2% from 2025/26 onwards. This assumption is clearly volatile and is therefore included in the sensitivity testing shown in 5.34.

5.20 Stock Count

The estimated stock count for 1st April 2023 is 10,667.

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. £10.3m of SHG funding has been accounted for in the plan for the period April 2023 to March 2025.

5.23 Pay Awards

The assumptions factored into the 2023/24 Draft Budget Proposals report (Special Cabinet 118/1/23) for the Council have been considered against the HRA Business Plan. The forecasted increases in terms of Pay Award and Employers Pension Contributions from

2023/24 to 2025/26 have been applied.

5.24 New Build proposals and grants

The current proposals allow for 432 units (social rented and blended tenure schemes) over the period 2023/24 to 2026/27 at a cost of some £117m. The full new build programme consists of 465 potential units but 33 will have been delivered by the end of 2022/23 so only the remaining 432 is factored into the Business Plan. A further 32 properties have also been acquired through Buy Backs, therefore housing supply for Caerphilly Homes has increased by 65 since 2019/20. Funding assumptions for the New Build programme include the Social Housing Grant awarded by WG up to 2024/25, and the Transitional Accommodation Capital Programme (TACP) Grant, together with expected market sales for the units that will not be classed as affordable housing when completed. 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 2021/22 Business Plan allowed for 230 units, and the 2022/23 Business Plan allowed for 405 units, so there is momentum in terms of increasing housing supply.

5.25 The value of the HRA in 2023/24 with the rent increase of 6.5% is £55.5m. The cost of managing and maintaining the service is essentially funded from this, and these costs are entered into the plan which includes a £15.7m commitment towards the capital programme. The capital programme is £35.6m and this includes £16.5m to maintain the WHQS programme (PAMS programme), £10.9m for increasing housing supply and £8.2m for adaptations, large scale void work, and one-off committed projects. 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. Also, as experienced this financial year, issues with resources have impacted on the ability to progress with the PAMS programme. Variances to the Housing Revenue and Capital Account are regularly monitored and reported to the Housing & Regeneration Scrutiny Committee throughout the year.

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 £52.5m and this requires a borrowing commitment of some £55.7m (£31.5m in 2024/25 and £24.2m in 2025/26). The total borrowing commitment, when factoring in the amount already borrowed for the WHQS programme (£40.9m) is not within the current borrowing cap approved by Council. Total borrowing would currently stand at some £96.6m which would be £6.6m over the £90m 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 total number of proposed units have also increased compared to the previous plan, which will increase costs resulting in further borrowing. The Cost of Living and its impact on inflation also needs to be considered which has not only affected the new build programme, but also the ability to maintain current services. 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 £100m at this stage to ensure adequate funding is available for the current new build proposals and the assumed cost increases within the 2023/24 Housing Business Plan. Borrowing is not required until year 2 of the plan (2024/25).

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 2023/24 confirms that the HRA remains viable with the £55.7m 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 (3%) in 2024/25***

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 2 of the Housing Business Plan assumes 4% (CPI + 1%). The sensitivity reduces this to 3% (CPI only)

IMPACT: An increase in the shortfall of some £1.4m compared to the base plan with a further borrowing requirement of £2m.

MITIGATION: Cannot reduce the New Build Programme as there are continuations of the previous year's schemes, although some newer schemes could be reviewed or reprofiled.. The PAMS programme could be reduced but this would mean the timescales for properties maintaining their lifecycles would not be met. Additional borrowing of £2m over years 2 & 3 would fund the shortfall. The increased borrowing would remain within the current recommended borrowing level of £100m. 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 £4.1m capacity by year 10 meaning less funding capacity for future challenges e.g., WHQS 2023, Decarbonisation and further increasing housing supply.

5.32 ***S2 - A decrease in rent levels to 2% in 2024/25***

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

IMPACT: An increase in the shortfall of some £2.1m compared to the base plan with a further borrowing requirement of £9.6m.

MITIGATION: Cannot reduce the New Build Programme as there are continuations of the previous year's schemes, although some newer schemes could be reviewed or reprofiled which could impact on the Councils delivery agenda. The PAMS programme could be reduced but this would mean the timescales for properties maintaining their lifecycles would not be met. Additional borrowing of £9.6m over years 2 & 3 and also years 8-15 would fund the shortfall. The knock of effect of the loss of rental income year on year will also be felt later in the plan. The increased borrowing would go over the current recommended borrowing level of £100m by £6.2m. 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 the cost of funding the shortfall would be significant due to its impact later on in the plan 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, Brexit and the Cost of Living has seen unprecedented increases in material costs. The base plan allows for a further 5% increase in year 1 as explained but due to the volatility a further sensitivity is tested with a 10% increase.

IMPACT: An increase in the shortfall of some £2.4m compared to the base plan with a further

borrowing requirement of £2.6m

MITIGATION: Cannot reduce the New Build Programme in Year 1 as there are continuations of the previous year's schemes although some newer schemes could be reviewed or reprofiled. The PAMS programme could be reduced but this would mean the timescales for properties maintaining their lifecycles would not be met. Additional borrowing of £2.6m over years 2 & 3 would fund the shortfall. The increased borrowing would remain just within the current recommended borrowing level of £100m. WHQS and the New Build programme would remain on track if all other assumptions remained. The HRA would remain viable but with 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 includes 5.4% of arrears within the balance sheet for both rent and service charges. The level of bad debt provision 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. However, Caerphilly Homes were in a fortunate position over the last two years when the corporate method of calculating bad debt provision was reviewed, which resulted in a lower bad debt provision being required going forward. Irrespective of this, it is worth testing this scenario by adding the impact of an increase in arrears to 8% over a two-year period. This would mean a loss of income of approximately £1.5m for year 1 and also year 2, and result in a higher bad debt provision.

IMPACT: An increase in the shortfall of some £4m compared to the plan with a further borrowing requirement of £4.2m

MITIGATION: Cannot reduce the New Build Programme in Year 1 as it is a continuation of the previous year's schemes although some newer schemes could be reviewed or reprofiled. The PAMS programme could be reduced but this would mean the timescales for properties maintaining their lifecycles would not be met. Additional borrowing of £4.2m over year 1 & 2 would fund the shortfall but that is on the assumption that the arrears level would steadily reduce over time. The increased borrowing would be just within the current recommended borrowing level of £100m. WHQS and the New Build programme would remain on track if all other assumptions remained. The HRA would remain viable but with less funding capacity for future challenges e.g., WHQS 2, Decarbonisation and further increasing housing supply. Also, more resource is likely to be needed to support tenants with increased debt.

5.35 **S5 – Combination of S1 & S3 – Reduce rent to CPI only in 2024/25 and increase material costs to 10% in year 1**

DESCRIPTION: Sensitivity testing needs to include a combination of potential issues as in reality more than one can arise at the same time. Therefore, this tests the possibility of rent reducing to 3% in year 2 and materials increasing to 10% in year 1.

IMPACT: An increase in the shortfall of some £3.5m compared to the base plan with a further borrowing requirement of £5.9m

MITIGATION: Cannot reduce the New Build Programme in Year 1 as there are continuations of the previous year's schemes although some newer schemes could be reviewed or reprofiled. The PAMS programme could be reduced but this would mean the timescales for properties maintaining their lifecycles would not be met. Additional borrowing is needed in year 2, 3 & 9,10,11 due to the knock on effect of the rent reduction in future years. The increased borrowing would not be within the current recommended borrowing level of £100m. 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 less funding capacity for future challenges e.g. WHQS 2, Decarbonisation and further increasing housing supply.

5.36 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 2023/24 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 All consultation responses have been reflected in this report.

11. STATUTORY POWER

11.1 Local Government Act 1972.

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Consultees:	Cllr Patricia Cook	- Vice Chair Housing and Regeneration Scrutiny Committee
	Cllr Shayne Cook	- Cabinet Member for Housing
	Dave Street	- Corporate Director Social Services and Housing
	Nick Taylor-Williams	- Head of Housing
	Stephen R Harris	- Head of Corporate Finance and S151 Officer
	Fiona Wilkins	- Housing Services Manager
	Jane Roberts-Waite	- Strategy and Co-ordination Manager
	Alan Edmunds	- WHQS Project Manager
	Jason Fellows	- HRO Manager
	Kerry Denman	- Housing Solutions Manager
	Rhian Williams	- Capital and Treasury Accountant

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)

Year	Year	Expenditure					Financing					Check Total £,000	
		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	2023.24	0	24,727	0	10,926	35,653	0	0	12,612	0	23,040	35,653	0
2	2024.25	0	24,764	0	59,369	84,133	31,500	0	20,837	0	31,796	84,133	0
3	2025.26	0	15,732	0	49,225	64,957	24,200	0	24,862	0	15,895	64,957	0
4	2026.27	0	19,182	0	5,906	25,087	0	0	22,362	0	2,726	25,087	0
5	2027.28	0	25,792	0	0	25,792	0	0	7,362	0	18,430	25,792	0
6	2028.29	0	30,937	0	0	30,937	0	0	7,362	0	23,575	30,937	0
7	2029.30	0	31,556	0	0	31,556	0	0	7,362	0	24,194	31,556	0
8	2030.31	0	32,187	0	0	32,187	0	0	7,362	0	24,825	32,187	0
9	2031.32	0	32,831	0	0	32,831	0	0	7,362	0	25,469	32,831	0
10	2032.33	0	33,487	0	0	33,487	0	0	7,362	0	26,125	33,487	0
11	2033.34	0	34,157	0	0	34,157	0	0	7,362	0	26,795	34,157	0
12	2034.35	0	34,840	0	0	34,840	0	0	7,362	0	27,478	34,840	0
13	2035.36	0	35,537	0	0	35,537	0	0	7,362	0	28,175	35,537	0
14	2036.37	0	36,248	0	0	36,248	0	0	7,362	0	28,886	36,248	0
15	2037.38	0	36,973	0	0	36,973	0	0	7,362	0	29,611	36,973	0
16	2038.39	0	37,712	0	0	37,712	0	0	7,362	0	30,350	37,712	0
17	2039.40	0	38,466	0	0	38,466	0	0	7,362	0	31,104	38,466	0
18	2040.41	0	39,236	0	0	39,236	0	0	7,362	0	31,874	39,236	0
19	2041.42	0	40,020	0	0	40,020	0	0	7,362	0	32,658	40,020	0
20	2042.43	0	40,821	0	0	40,821	0	0	7,362	0	33,459	40,821	0
21	2043.44	0	41,637	0	0	41,637	0	0	7,362	0	34,275	41,637	0
22	2044.45	0	42,470	0	0	42,470	0	0	7,362	0	35,108	42,470	0
23	2045.46	0	43,319	0	0	43,319	0	0	7,362	0	35,957	43,319	0
24	2046.47	0	44,186	0	0	44,186	0	0	7,362	0	36,824	44,186	0
25	2047.48	0	45,069	0	0	45,069	0	0	7,362	0	37,708	45,069	0
26	2048.49	0	45,971	0	0	45,971	0	0	7,362	0	38,609	45,971	0
27	2049.50	0	46,890	0	0	46,890	0	0	7,362	0	39,528	46,890	0
28	2050.51	0	47,828	0	0	47,828	0	0	7,362	0	40,466	47,828	0
29	#N/A	0	48,785	0	0	48,785	0	0	7,362	0	41,423	48,785	0
30	#N/A	0	49,760	0	0	49,760	0	0	7,362	0	42,398	49,760	0

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

		Income					Expenditure											Net Operating		Surplus (Deficit) for the Year		Surplus (Deficit) b/fwd		Surplus (Deficit) c/fwd	
Year	Year	Net rent Income £,000	Other income £,000	Misc Income £,000	HRA Subsidy Receivable £,000	Total Income £,000	Managt. £,000	Depreciation £,000	Maint. £,000	Contribution to Repairs Account £,000	Debt Charges £,000	Other Revenue spend £,000	HRA Cost of Rent Rebates £,000	Misc expenses £,000	HRA Subsidy Payable £,000	Total expenses £,000	Net Operating (Expenditure) £,000	RCCO £,000	Depreciation adjustment £,000	Surplus (Deficit) for the Year £,000	Surplus (Deficit) b/fwd £,000	Interest £,000	Surplus (Deficit) c/fwd £,000		
1	2023.24	54,473	315	3	0	54,791	(17,885)	0	(12,205)	0	(8,078)	0	0	(1,019)	0	(39,187)	15,604	(23,040)	0	(7,436)	24,586	209	17,359		
2	2024.25	56,235	323	3	0	56,561	(18,543)	0	(12,727)	0	(8,616)	0	0	(1,050)	0	(40,935)	15,626	(31,796)	0	(16,170)	17,359	93	1,281		
3	2025.26	59,024	329	3	0	59,356	(19,007)	0	(13,250)	0	(9,202)	0	0	(1,071)	0	(43,529)	15,827	(15,895)	0	(68)	1,281	12	1,226		
4	2026.27	61,556	334	3	0	61,894	(19,437)	0	(13,850)	0	(10,885)	0	0	(1,092)	0	(45,264)	16,630	(2,726)	0	13,904	1,226	82	15,212		
5	2027.28	63,687	340	3	0	64,031	(19,845)	0	(14,363)	0	(10,556)	0	0	(1,114)	0	(45,877)	18,154	(18,430)	0	(277)	15,212	151	15,086		
6	2028.29	65,580	346	3	0	65,929	(20,242)	0	(14,650)	0	(10,083)	0	0	(1,136)	0	(46,111)	19,819	(23,575)	0	(3,757)	15,086	132	11,461		
7	2029.30	67,529	352	3	0	67,884	(20,647)	0	(14,943)	0	(9,819)	0	0	(1,159)	0	(46,568)	21,317	(24,194)	0	(2,877)	11,461	100	8,684		
8	2030.31	69,536	358	3	0	69,898	(21,060)	0	(15,242)	0	(9,589)	0	0	(1,182)	0	(47,073)	22,825	(24,825)	0	(2,000)	8,684	77	6,761		
9	2031.32	71,603	364	4	0	71,971	(21,481)	0	(15,547)	0	(9,431)	0	0	(1,206)	0	(47,664)	24,307	(25,469)	0	(1,162)	6,761	62	5,660		
10	2032.33	73,732	371	4	0	74,106	(21,911)	0	(15,858)	0	(9,134)	0	0	(1,230)	0	(48,132)	25,974	(26,125)	0	(151)	5,660	56	5,565		
11	2033.34	75,924	377	4	0	76,305	(22,349)	0	(16,175)	0	(8,948)	0	0	(1,254)	0	(48,726)	27,579	(26,795)	0	784	5,565	60	6,408		
12	2034.35	78,181	384	4	0	78,569	(22,796)	0	(16,498)	0	(8,784)	0	0	(1,279)	0	(49,357)	29,212	(27,478)	0	1,733	6,408	73	8,214		
13	2035.36	80,506	391	4	0	80,901	(23,252)	0	(16,828)	0	(8,581)	0	0	(1,305)	0	(49,966)	30,935	(28,175)	0	2,760	8,214	96	11,070		
14	2036.37	82,900	398	4	0	83,302	(23,717)	0	(17,165)	0	(8,307)	0	0	(1,331)	0	(50,520)	32,782	(28,886)	0	3,897	11,070	130	15,097		
15	2037.38	85,366	405	4	0	85,775	(24,191)	0	(17,508)	0	(8,032)	0	0	(1,358)	0	(51,089)	34,686	(29,611)	0	5,075	15,097	176	20,349		
16	2038.39	87,905	412	4	0	88,321	(24,675)	0	(17,858)	0	(7,893)	0	0	(1,385)	0	(51,811)	36,510	(30,350)	0	6,160	20,349	234	26,743		
17	2039.40	90,520	419	4	0	90,944	(25,168)	0	(18,215)	0	(7,713)	0	(24)	(1,413)	0	(52,533)	38,411	(31,104)	0	7,306	26,743	304	34,353		
18	2040.41	93,213	427	4	0	93,644	(25,672)	0	(18,580)	0	(7,493)	0	(81)	(1,441)	0	(53,266)	40,378	(31,874)	0	8,504	34,353	386	43,243		
19	2041.42	95,987	434	4	0	96,425	(26,185)	0	(18,951)	0	(7,326)	0	(142)	(1,470)	0	(54,074)	42,351	(32,658)	0	9,693	43,243	481	53,416		
20	2042.43	98,843	442	4	0	99,289	(26,709)	0	(19,330)	0	(7,206)	0	(199)	(1,499)	0	(54,943)	44,346	(33,459)	0	10,887	53,416	589	64,892		
21	2043.44	101,784	450	5	0	102,239	(27,243)	0	(19,717)	0	(7,105)	0	(260)	(1,529)	0	(55,854)	46,385	(34,275)	0	12,109	64,892	709	77,711		
22	2044.45	104,813	458	5	0	105,276	(27,788)	0	(20,111)	0	(6,910)	0	(324)	(1,560)	0	(56,692)	48,584	(35,108)	0	13,476	77,711	844	92,031		
23	2045.46	107,933	466	5	0	108,404	(28,344)	0	(20,513)	0	(6,685)	0	(384)	(1,591)	0	(57,517)	50,887	(35,957)	0	14,930	92,031	995	107,956		
24	2046.47	111,146	475	5	0	111,625	(28,911)	0	(20,924)	0	(6,499)	0	(456)	(1,623)	0	(58,412)	53,214	(36,824)	0	16,390	107,956	1,162	125,507		
25	2047.48	114,454	483	5	0	114,943	(29,489)	0	(21,342)	0	(6,348)	0	(523)	(1,655)	0	(59,357)	55,585	(37,708)	0	17,878	125,507	1,344	144,730		
26	2048.49	117,862	492	5	0	118,359	(30,079)	0	(21,769)	0	(6,263)	0	(594)	(1,688)	0	(60,393)	57,965	(38,609)	0	19,357	144,730	1,544	165,630		
27	2049.50	121,371	501	5	0	121,877	(30,680)	0	(22,204)	0	(6,182)	0	(669)	(1,722)	0	(61,458)	60,419	(39,528)	0	20,891	165,630	1,761	188,282		
28	2050.51	124,985	510	5	0	125,500	(31,294)	0	(22,648)	0	(6,097)	0	(740)	(1,756)	0	(62,536)	62,964	(40,466)	0	22,498	188,282	1,995	212,775		
29	#N/A	128,706	520	5	0	129,231	(31,920)	0	(23,101)	0	(6,013)	0	(814)	(1,791)	0	(63,640)	65,591	(41,423)	0	24,168	212,775	2,249	239,192		
30	#N/A	132,539	529	5	0	133,074	(32,558)	0	(23,563)	0	(5,901)	0	(901)	(1,827)	0	(64,751)	68,323	(42,398)	0	25,924	239,192	2,522	267,638		

DO NOT DELETE

Working Balance check	Cashflow Balance check	WG return rev fund	rev exp
0	0	55,000	-39,187
0	0	56,654	-40,935
0	0	59,369	-43,529
0	0	61,976	-45,264
0	0	64,182	-45,877
0	0	66,061	-46,111
0	0	67,985	-46,568
0	0	69,975	-47,073
0	0	72,033	-47,664
0	0	74,162	-48,132
0	0	76,364	-48,726
0	0	78,642	-49,357
0	0	80,997	-49,966
0	0	83,432	-50,520
0	0	85,951	-51,089
0	0	88,556	-51,811
0	0	91,248	-52,533
0	0	94,030	-53,266
0	0	96,906	-54,074
0	0	99,878	-54,943
0	0	102,948	-55,854
0	0	106,121	-56,692
0	0	109,399	-57,517
0	0	112,787	-58,412
0	0	116,287	-59,357
0	0	119,903	-60,393
0	0	123,638	-61,458
0	0	127,495	-62,536
0	0	131,480	-63,640
0	0	135,595	-64,751

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HOUSING AND REGENERATION SCRUTINY COMMITTEE – 27TH FEBRUARY 2023

SUBJECT: FUTURE OF CAERPHILLY HOMES TASK GROUP

REPORT BY: CORPORATE DIRECTOR FOR SOCIAL SERVICES AND HOUSING

1. PURPOSE OF REPORT

- 1.1 For Members to consider and agree the future of Caerphilly Homes Task Group (CHTG) due to the completion of the Welsh Housing Quality Standard (WHQS) Programme and future work of Caerphilly Homes, prior to presentation at Cabinet on the 8th March 2023 and thereafter Council on the 23rd May 2023.

2. SUMMARY

- 2.1 The report provides background to the establishment of the CHTG and changes made to the Council's constitution. The report also considers the terms of reference for the CHTG which predominantly focused on the strategic direction and performance relating to the WHQS Programme.
- 2.2 With the WHQS Programme now completed in December 2021, following unavoidable delays necessitated by the Covid pandemic restrictions, it is considered appropriate to review the purpose and future of the group and to consider alternative methods of tenants/contract holder engagement, with specific reference to the imminent commencement of the Welsh Housing Quality Standard 2023 programme.

3. RECOMMENDATIONS

- 3.1 That Members recommend that Cabinet approve the discontinuation of CHTG, for the reasons stated within the report. A special meeting was held in July 22 with the Repairs & Improvement Group and tenant members of CHTG following the completion of the WHQS programme to review the achievements and challenges, whilst also celebrating its successful conclusion.
- 3.2 Members recommend that Cabinet commend the CHTG for the contribution it has made towards achieving the Welsh Housing Quality Standard.
- 3.3 Members acknowledge and approve the various existing and potential new methods to be explored by Caerphilly Homes for engagement with tenant/contract holders now and in the future. The proposals for effective and meaningful engagement will enable more tenants/contract holders to have an opportunity to express views and be consulted on the future direction of Caerphilly Homes.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 The CHTG has delivered on its Terms of Reference and contributed to the successful delivery of the largest project ever delivered by Caerphilly County Borough Council, which resulted in a total programme investment of approximately £270M.
- 4.2 There now needs to be more varied and impactful ways of engaging with contract holders to contribute to the way services are delivered across Caerphilly Homes.

5. THE REPORT

- 5.1 Following the outcome of the ballot on housing stock transfer in February 2012, which resulted in the Council retaining its housing stock, the Council considered the mechanisms required to oversee the management and delivery of the WHQS Programme. This included housing service improvements that had been promised in the Offer Document/Addendum for the stock transfer, where there was a commitment to engage more effectively with tenants. To give effect to this the Council, at the meeting held on 29 February 2012, agreed to establish an all-party Housing Task Group with tenant representatives. Over time this group became the CHTG with the group operating more in a consultative role with its views on housing reports being sought and passed on to the relevant scrutiny committees for their consideration.
- 5.2 CHTG had not met since the start of the Covid pandemic, which impacted on face-to-face meetings, and the introduction of virtual meetings at that stage would have necessitated the issuing of new IT equipment and provision of training to CHTG members.
- 5.3 Since the establishment of CHTG, members of the group have been presented with 216 reports and various presentations over a total of 55 meetings.
- 5.4 Attendance at meetings has varied over the years and been disappointing on occasions. Whilst membership of the group has changed over time, many members have been attending since its inception and their continued contribution and commitment has been very much appreciated. However, future engagement by a wider cohort would be beneficial to ensure a broader range of tenants' views and opinions are considered.
- 5.5 With the WHQS Programme completed, and the Regeneration and Housing Scrutiny Committee now part of the corporate governance arrangements, it is proposed that CHTG be discontinued. A final meeting was held with all tenant CHTG members and members of the Repairs and Improvement Group in July 22 to review the achievement of WHQS and thank all tenants for their involvement and significant contributions.
- 5.6 From an officer's perspective the CHTG has delivered on its Terms of Reference and contributed to the successful delivery of the largest project ever delivered by CCBC, which resulted in a total programme investment of approximately £270m.

Future Tenant/Contract Holder Engagement

- 5.7 Caerphilly Homes recognises the importance of listening to and acting on tenant/contract holder's views and remains committed to involving them in developing the strategic direction. The process of tenant/contract holder engagement and involvement in debating what services are required and delivered is under constant review. This results in new mechanisms and initiatives with a focus, not

only on tenant/contract holder consultation, but also providing opportunities for tenant/contract holders to have a meaningful, positive impact on the delivery of services, thereby achieving measurable outcomes and improvements.

- 5.8 While the scope of WHQS 2023 is not yet finalised, the current draft standard and guidance sets out expectations for how social landlords should involve tenants/contract holders. Currently Welsh Government's aspiration is that within three years of the publication of the standard, social landlords need to have consulted with their tenants/contract holders on the draft programme. Caerphilly Homes will work with tenants/contract holders before then to develop a consultation policy. This will need to show how tenant/contract holders are involved in the important decisions that will need to be made to achieve the new standard. The standard has real challenges in terms of energy efficiency and decarbonisation, and tenant/contract holder views on how it is approached and then communicated will be key to its success. A decision will need to be made as to how tenants/contract holders are involved in WHQS23 following its launch and the publication of the consultation policy.
- 5.9 Caerphilly Homes continues to learn from tenant/contract holder engagement methods used to date and will utilise feedback from the recent tenant satisfaction survey on how tenant/contract holders want to engage. This has reinforced that listening to resident's views and acting on them is a key driver of satisfaction overall. There are also many other areas where tenant/contract holder input is needed.
- 5.10 Overall the future emphasis is that we will listen and engage with tenants/contract holders in a variety of ways. The range of activities/ mechanisms would develop through monitoring and regular review of what has worked, what hasn't, the outcomes of the activities and the impact on service delivery/improvement.
- 5.11 CHTG relied on a small number of voices and consequently only represented opinions of a few tenants. Officers have explored and developed new, diverse, effective and meaningful ways to engage. Moving forward there will need to be a variety of ways that tenants/contract holders can get involved, based on their interests and availability. This includes opportunities that would enable more tenants to express views, hopefully resulting in wider feedback. It is encouraging to note that a third of respondents to the latest tenant satisfaction survey indicated that they would be interested in having a say about the services we provide, with digital forms of consultation particularly popular amongst younger tenants.
- 5.12 The following ways of engaging with our tenants /contract holders are currently in place or will be next financial year and shows a significant level of involvement with more to come as plans for WHQS 2023 are developed.
- 5.13 Tenant Information Exchange (TIE)
TIE meets every 6 weeks, now meeting in person again but there is also the option to offer the meeting online. Proposal is to focus twice yearly on new ideas, initiatives, and current concerns, open to all tenants and supplemented with an online poll. Information will also be given on current consultations and other engagement activities.
- 5.14 Have Your Say Conversation Sessions
These structured conversations are an extension of the TIE and conducted through and at TIE meetings. Future outcomes of the conversation and any related supplementary activities to be fed back in a report to Head of Housing/Cabinet

Member. Actions to be developed from the conversations. Head of Housing/Cabinet Member to attend future conversation sessions to give feedback.

5.15 Housing Improvement Partnership (HIP)

The Group hasn't met since Covid but is now in a position to relaunch and is open to new participants. The HIP is an independent group of tenants not involved in any other groups. The HIP uses customer journey mapping principles to look at the experience tenants have when using Caerphilly Homes services.

5.16 The aim is for the Group to look at 2 areas of the service each year over 6-8 sessions using evidence such as letters, emails, transcription of telephone conversations and when available, call recording will also be utilised. Reports from this Group are sent to the appropriate service manager in Caerphilly Homes for consideration and if appropriate implementation of their recommendations to improve service delivery. This group has in the past looked at landlord's consent, income recovery, tenancy support service, floating support service, tenancy enforcement and mutual exchanges.

5.17 Tenant Participation Strategy

The current strategy is out of date (2019) and needs to be updated so there will be consultation on the current objectives and whether they are still fit for purpose or need to change next financial year.

5.18 WHQS 2023

Tenant representation will be sought in any discussion on the new consultation framework that will need to be developed for WHQS 2023. This will start later next financial year as Welsh Government announce plans. By definition and context this will be a comprehensive survey of all tenant /contract holder views on the refurbishment and upgrades of all properties in Caerphilly Homes ownership focusing on affordable warmth and decarbonisation.

5.19 Review Groups

Where issues are raised by tenants/contract holders or staff there may need to be a review of an aspect of service in a different way to that undertaken by the HIP. These groups would be open to tenants/contract holders with recent experience of that aspect of the service under review, facilitated by Tenant and Community Involvement Team (TACI) and led by appropriate managers.

5.20 Tenant Satisfaction Survey Action Plan

Headlines of the findings of 2021 tenant satisfaction survey have been shared with tenants/contract holders. Later this calendar year the action plan to address some of these findings that need improvement will be published by Caerphilly Homes.

5.21 New Tenant Satisfaction Survey

There is a requirement to update the 2021 comprehensive survey, for submission to WG by March 2024. The new comprehensive survey is likely to be needed for distribution in the autumn of 2023. The results of this will help us shape our offer further to provide meaningful activities/consultation that is designed around how our tenants/contract holders want to be engaged. A leaflet sharing feedback on the last survey has been sent to all tenants.

5.22 Neighbourhood Days/Surgeries

Targeted opportunities for different sections of Caerphilly Homes to attend Neighbourhood Days/Surgeries and be open to all tenants/contract holders to give their views on relevant consultations and to feedback on general issues. Makes the whole service more visible and relevant to tenants.

5.23 Social Media and online surveys

Caerphilly Homes are already making more use of social media to share timely and relevant information with tenants/contract holders. The EGov bulletin email service currently has around 2,000 tenants/contract holders registered for feedback. Use of social media to feed into any HIP sessions or review groups can be used to test whether issues that come out at the 'Have Your Say' conversation sessions are of relevance to all tenants/contract holders.

5.24 Tenant Portal

As part of the change to the new Caerphilly Homes IT system there is a tenant portal facility. The basic tenant portal has been built and will be tested with tenants/contract holders shortly. Full functionality won't be available until the full system has been migrated but it is planned to launch the basic version of the portal later this year. There will be opportunities for tenants/contract holders to view their own information e.g. rent statements and recent communications from Caerphilly Homes and also to send in queries or report certain issues. There will also be an option to let us know if they want to be involved in engagement activities.

5.25 Rent and Affordability Consultation

Since 2020 there have been annual surveys around rent and affordability. These have been supplemented by focus groups both online and in person. As well as the information from the surveys, outcomes have included tenant input into how the JRF Living Rent model is applied in the Borough and annual production of a leaflet to all tenants/contract holders showing how their rent money is spent was a direct result of what tenants/contract holders told us they wanted. A How your Rent is Spent leaflet has already been distributed to all tenants/contact holders.

5.26 As a result of the last survey in October 2022, 150 tenants said that they are happy to be contacted again in 2023 to discuss rent and affordability.

5.27 Engagement mechanisms/activities will be reviewed regularly to ensure they are still fit for purpose.

6. ASSUMPTIONS

6.1 There are no assumptions made with regard to this report.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

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

8. FINANCIAL IMPLICATIONS

8.1 There have clearly been costs associated with the resourcing, implementation, running and management of the CHTG, therefore the proposed disbanding of the group will result in a cost saving, but these will be offset by alternative methods of tenant engagement.

9. PERSONNEL IMPLICATIONS

9.1 There are no personnel implications arising from the report.

10. CONSULTATIONS

10.1 Comments received have been taken into consideration within the report.

11. STATUTORY POWER

11.1 Section 21 of the Local Government Act 2000.

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Consultees:	Cllr Patricia Cook	- Vice Chair Housing and Regeneration Scrutiny Committee
	Cllr Shayne Cook	- Cabinet Member for Housing
	Christina Harray	- Chief Executive
	Dave Street	- Corporate Director Social Services and Housing
	Robert Tranter	- Head of Legal Services and Monitoring Officer
	Stephen R Harris	- Head of Financial Services and Section 151 Officer
	Fiona Wilkins	- Housing Services Manager
	Jane Roberts-Waite	- Strategic Co-ordination Manager
	Lesley Allen	- Principal Accountant (Housing)
	Alan Edmunds	- Housing Technical Manager
	Mandy Betts	- Tenant and Community Involvement Team