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For all enquiries relating to this agenda please contact Emma Sullivan
(Tel: 01443 864420 Email: sullie@caerphilly.gov.uk)

Date: 20th September 2022

To Whom It May Concern,

A multi-locational meeting of the **Cabinet** will be held in Penallta House, and via Microsoft Teams on **Monday, 26th September, 2022 at 2.00 pm** to consider the matters contained in the following agenda. 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.

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>

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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 Declarations of Interest.	

A greener place Man gwyrdach



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

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 the agenda in accordance with the Local Government Act 2000, the Council's Constitution and the Code of Conduct for both Councillors and Officers.

To approve and sign the following minutes: -

3 Cabinet held on the 7th September 2022. 1 - 6

To note the Cabinet Forward Work Programme.

4 Cabinet Forward Work Programme. 7 - 14

To receive and consider the following reports on which executive decisions are required: -

5 Caerphilly County Borough Council Car Parks Task and Finish Group. 15 - 44

6 Caerphilly County Borough Council - Response to the Cost-of-Living Crisis. 45 - 54

7 UK Government Shared Prosperity Fund - Caerphilly Local Investment Plan. 55 - 90

8 Provisional Revenue Budget Outturn for 2021/22. 91 - 110

9 Bryn Carno. 111 - 118

10 Transitional Accommodation Capital Programme. 119 - 128

Circulation:

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

And Appropriate Officers

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CABINET

MINUTES OF THE MULTI-LOCATIONAL MEETING HELD AT PENALLTA HOUSE AND VIA MICROSOFT TEAMS ON WEDNESDAY, 7TH SEPTEMBER 2022 AT 1PM

PRESENT:

Councillor S. Morgan – Chair

Councillors:

J. Pritchard (Cabinet Member for Prosperity, Regeneration & Climate Change), N. George (Cabinet Member for Corporate Services & Property), S. Cook (Cabinet Member for Housing), E. Forehead (Cabinet Member for Social Care), P. Leonard (Cabinet Member for Planning & Public Protection) and C. Morgan (Cabinet Member for Waste, Leisure & Green Spaces), Cllr. J. Simmonds (Cabinet Member for Highways & Transportation).

Together with:

C. Harry (Chief Executive), M. S. Williams (Corporate Director – Economy and Environment) and R. Edmunds (Corporate Director – Education and Corporate Services).

Also in Attendance:

R. Tranter (Head of Legal Services and Monitoring Officer), L. Lane (Head of Democratic Services and Deputy Monitoring Officer), N. Taylor-Williams (Head of Housing), K. Denman (Housing Solutions Manager), K. Peters (Corporate Policy Manager) and E. Sullivan (Senior Committee Services Officer).

RECORDING AND VOTING ARRANGEMENTS

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

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from C. Andrews (Cabinet Member for Education & Communities) and D. Street (Corporate Director Social Services and Housing).

2. DECLARATIONS OF INTEREST

There were no declarations of interest received.

3. CABINET – 27TH JULY 2022

RESOLVED that the minutes of the meeting held on 27th July 2022 be approved as a correct record.

4. CABINET FORWARD WORK PROGRAMME – TO NOTE

Cabinet was provided with the Cabinet Forward Work Programme, which detailed the scheduled reports until 14th December 2022.

Members were reminded that the Cabinet Forward Work Programme is a working document and thus subject to change. The Leader thanked Officers for populating the forward work programme so far in advance and Cabinet accepted that as a live document it would be subject to change.

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

INTRODUCTION BY THE HEAD OF HOUSING

Given the themes of the reports being considered by Cabinet, the Leader called on Nick Taylor-Williams, Head of Housing to provide an overview of the significant pressures facing the Housing Service.

The Head of Housing confirmed that housing services were facing significant challenges not only in terms of increased housing need but also the increases in those presenting as homeless. The impact of the Pandemic was detailed, and it was noted that although Courts had suspended eviction proceedings during this period, they were now acting on evictions resulting in increased numbers requiring support. The impact of COVID 19 in terms of relationship breakdowns, financial pressures, household pressures and the cost-of-living crisis meant that more people were presenting as homeless. However, the service was working incredibly hard to assist those affected to access benefits and maximise their income by working with all partner agencies to secure positive outcomes for individuals.

The Head of Housing also updated Cabinet on one of the biggest legislative changes coming forward in the Renting Home (Wales) Act, which would give more autonomy to tenants but would also place greater pressure on Landlords, it was noted that Housing Services had already seen several Landlords leave the sector as a result. Cabinet noted that across the sector housing demand was outstripping supply and the Officer welcomed the exciting new build programme that the Council was bringing forward.

The impact of the humanitarian crisis across the globe was referenced and its impact on housing services explained, it was noted that Wales alone had seen 5000 arrivals and these numbers would continue grow as the crisis deepened, putting more pressure on private housing stock. The Head of Housing explained the asylum dispersal routes and confirmed that 2 reports would be coming forward in due course that would outline what the Council were doing and would set the scene for Caerphilly. The Officer emphasised that this position was shared across the sector with every local authority facing the same challenges.

The Leader placed on record his thanks and thanks of Cabinet to Nick Taylor-Williams, Kerry Denman, Kath Peters and the Caerphilly Homes Team for their hard work and commitment.

The Head of Housing acknowledged the thanks of Cabinet and would, following the meeting share these sentiments with the wider Caerphilly Homes Team.

5. RAPID REHOUSING TRANSITIONAL PLAN (RRTP) 2022-2027

Consideration was given to the report which sought to inform Cabinet of the new Welsh Government Rapid Rehousing agenda and how the Housing Solutions Team intend on delivering the Rapid Rehousing Transitional Plan (RRTP) 2022-27. The report also provided an overview of the key objectives of the RRTP and sought the views and comments of Cabinet so they can be reflected in the final submission of the plan to Welsh Government by the end of September 2022.

Cabinet noted that in October 2021, Welsh Government issued draft guidance to all Local Authorities on Rapid Rehousing and requested that local authorities develop their own Rapid Rehousing Plans. It was further noted that the RRTP would replace the Homeless Project Plan and sets out the action plan for Caerphilly to prevent and reduce homelessness in the borough. It would also ensure that service user needs would be accommodated as rapidly as possible. This would either prevent the need to access emergency accommodation or would support the service in reducing time spent in interim accommodation.

The seven key priorities of the plan were outlined which encompassed the prevention of homelessness, rough sleeping and meeting complex need, enhancing the Housing First Model, increasing access to permanent housing and the development of permanent housing within the borough, Common Allocation Policy review, Caerphilly Keys and the remodel and education of TA/Supported Housing.

Clarification was sought as to how support would be tailored to meet the needs of the individual and the Officer confirmed that all services across tenure would take a multi-agency approach that would include landlords to ensure individualised provision. The Landlord would be fully engaged from the beginning in an open and honest conversation on the needs of the tenant. Both the individual and the landlord would understand the journey they were taking together and in doing so would provide the best chance of securing positive housing outcomes.

Members queried how support plans were being used in the service and how often would they be reviewed, and the Member also sought clarification as to how those fleeing domestic, or any other form of abuse were being supported. The Officer confirmed that as well as the statutory full housing need assessment, tailored personal housing and support plans would be provided for all households as standard, support plans would be jointly reviewed by the Housing Solution Officer, the Individual and the Support Worker monthly. In this way individual support needs can be identified and working with partners like the Supporting People Team the appropriate intervention employed. This two-way communication and regular review process will help to quickly identify any change and with the agreement of the individual the appropriate support provided at every stage, and with the approval of the individual, this information can also be shared with the Landlord.

In terms of support for those fleeing abuse of any kind, Cabinet was advised that all frameworks across several remits would be employed to support the individual and this included the allocation of specialist support workers, a clear point of contact and a joined-up support network. The Officer confirmed that often it would be the victims rather than the perpetrator of the abuse that would leave the home and so they were exploring what mechanisms could be utilised in Caerphilly to change this, for example, removing the perpetrator from the home, with victims who were often female and children remaining in the home.

Clarification was sought on the importance of partners to the RRTP and the Officer confirmed that all partners across the board would be vital to the delivery of the plan. The role of key partners like schools, and General Practitioners was explained as they would be pivotal to the early identification of emerging issues. It was noted that a programme of workshops focused on prevention had been planned to help support key partners.

Reference was made to the commissioning of the Citizens Advice Bureau (CAB) and if there was any data available as to how much income had been maximised. Further information was also sought regarding permanent housing solutions and rough sleepers.

The Officer confirmed that the CAB had only just completed their first quarter, but the information requested could be provided a later date once the quarter figures had been analysed. The Officer went on to outline the types of support commissioned via the CAB and these were noted to include benefit advice, financial advice, debt reorders, budgeting advice. Advice appointments would be offered, face to face, by phone or at an individual home.

The Head of Housing asked Cabinet to note that although the CAB figures weren't available at this time it was worth noting that up to £3m of additional income had been generated from various benefit funding streams for eligible residents.

Regarding permanent housing solutions, Cabinet was advised that a permanent housing solution would mean different things to different individuals dependent on their needs. The RRTP would tackle rough sleeping and meeting those with complex needs by ensuring swift access to support services that are tailored and able to respond to the specific need. That both the landlord and the support providers work together to sustain this accommodation, by identifying what certain behaviours may have previously resulted in a loss of tenancy and work sensitively with that individual so that those behaviours, that might have led to an eviction are given more acceptance if they did not impact on the neighbouring community. Support packages would be heightened calling on partners from Housing First, employing a dedicated Housing Solutions Officer available out of hours and on weekends. The key objective rather than being a 'forever home' would be for a 'forever home or as long as that home is suitable'. Cabinet also noted the work being done to support vulnerable tenants with pets which can often cause an individual to fall out of tenancy.

Further detail was then requested on the Falling Out Project and the Officer confirmed that this joint project between the Housing Solutions Teams and CRISIS had reviewed service delivery pathways to try and understand why people fell out of service and make improvement recommendations. The recommendations from this work were now being taken forward and were also considered in the development of the RRTP. As a result of the project, key identifiers were established and these included a more person centred and trauma informed approach to service delivery, increasing awareness of the service, the need to employ a new IT System to improve data collation and maximise effective casework.

Clarification was sought as to how aware Welsh Government Ministers were of just how much preventative work was being undertaken and whether the Health Service made any funding contributions to the services provided.

The Officer confirmed that Welsh Government were given regular feedback on the level and amount of work that goes into prevention which is a key focus for the service going forward and advised that there was no additional funding provided by the Health Service.

The Chief Executive confirmed that a lot of the services provided by the Council were very much in the prevention and support category, and advised that inequality, be it social, economic, or health was a focus for the Gwent Public Services Board. Although no additional funding comes into that partnership, it did sit alongside the Regional Partnership Board which did receive funding and there, the preventative agenda is being considered with its focus very much around health and social care. Cabinet noted that the Council were actively lobbying Welsh Government in relation to funding.

The Leader and Cabinet thanked Officers for all their hard work and expressed how reassured they felt that the most vulnerable in our communities were being supported in this way and how much was being invested in the prevention of homelessness.

Following consideration and discussion, it was moved and seconded that the recommendation in the report be approved and by show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the Officer's report: -

1. The content of the report and supporting document that outline the RRTP be noted.
2. The final version of the RRTP be approved and be submitted to Welsh Government by the end of September 2022.

6. REVIEW OF ASYLUM DISPERSAL, AFGHAN RELOCATION AND UKRAINIAN SCHEMES

Consideration was given to the report which presented Cabinet with a 12-month review of the asylum dispersal process for their consideration and agreement and to provide updates on the Afghan and Ukraine resettlement schemes.

Cabinet noted that there is new emerging UK Government Policy of 'assumed dispersal' and the report sought to consider and explain the impact of the future landscape of asylum dispersal across Wales. The report also provided further information on the response to the evacuation of civilians from Kabul over the latter summer of 2021 and how the Council has supported families to settle in the area and the report also provided an update on the support offered to Ukraine nationals.

Cabinet sought assurances that relocated children were not being placed in poverty and the Officer advised that asylum seeking children were primarily supported by Home Office Commissioned Providers and this support had two elements, welfare and housing. The Home Office also provide support to asylum seekers with the legal process to make sure that their claims were progressing. For children placed in our schools there are general support mechanisms in place, particularly for children from ethnic minority backgrounds and commissioned providers would help support things like integration and language to make sure that they are settled in. In terms of poverty, asylum seekers are provided with a minimal amount of money for cost-of-living support, however children would be provided with additional things like uniforms, or provided with additional funding to ensure that they are not disadvantaged within the school system.

Clarification was then sought as to the support provided to Ukrainians to make sure they are integrating well into communities and if Local Ward Members are consulted and supported so that Members are aware of this potential need within their communities.

The Officer confirmed that Ukrainians refugees were being supported into the county borough in much the same way as other displaced individuals, on arrival Officers ensure that individuals are able to access benefits, that they have British residency permits or whatever documents they require to enable them to access the ability to work or to access education within the UK are in place. Essentially, looking at education, health and training including routes to health services to make sure that families are offered vaccinations, TB screening etc. Members were assured that none of these things were mandatory, health options are entirely open to the individual in just the same way as any other person accessing health services. The work of the Resettlement Support Team was outlined, and the Officer went on to detail the other commissioned support services available via the Afghan and Syrian resettlement programmes. In terms of integration support it was noted that this comes in a variety of different means including soft support around cultural differences, social events for guests and hosts, enabling children and families to meet up with their compatriots and build their networks.

Cabinet was pleased to note the appointment of a Ukrainian Arrival Liaison Officer from within the community to work with individuals and families.

In relation to Local Member engagement the Officer confirmed that Councillors would be engaged when a property comes online in a new area, however they would not necessarily be contacted with the address details of a family arriving in the ward area but would just be

advised of the arrival. A dispersed family would be integrated into a community in the same way as any other family arriving in the area. Cabinet was advised that properties were brought online by the Home Officer commissioned provider Clear Springs and not the Council and Local Ward Members are provided with the contact details of the Clear Springs Support Worker in case they have any concerns. Assurances were given that a multi-agency approach was adopted with all partners including Clear Springs if there are any potential problems or issues of concern.

Reference was made to the possible impact of the cost-of-living crisis and Ukrainian crisis on the number of people presenting as homeless. The Officer advised that most Ukrainian refugees, as the report explained, are in hosting arrangements which were only meant to be for a 6 to 12-month duration, at which point they cease, and then they would be reliant on the Council to house them and as Cabinet heard there are substantial pressures facing the housing service and this could lead to a greater number presenting as homeless. The length of stays on the housing register were explained and the Officer emphasised that demand was greater than supply. Considering the other asylum dispersal routes not only into Council stock but the ability to house in the private rental stock this could result in a greater number presenting as homeless.

Cabinet was assured that although this was a risk it was one that Officers were conscious of and were doing everything they can do to address it whether via our own funding or Welsh Government funding.

In conclusion the Officer confirmed that the challenges facing Caerphilly Council were being mirrored in every local authority area.

The Leader acknowledged the huge challenges facing housing services but were confident in the passion, commitment and hard work of Nick Taylor-Williams, Kerry Denman and Kath Peters and thanked them for their report.

Following consideration and discussion, it was moved and seconded that the recommendation in the report be approved and by show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the Officer's report : -

1. The review findings contained within the paper after 12 months of asylum dispersal in Caerphilly as an approved Asylum Dispersal Area be agreed.
2. The changes in the resettlement landscape since the report on the 7th of July 2021. Notably the new policy of assumed dispersal and the extension of resettlement support to arrivals from Afghanistan be noted.
3. The continued humanitarian situation in the Ukraine and the increase in arrivals to Wales and Caerphilly noted. Cabinet recognised how the Ukraine nationals are being housed and the existing and proposed future support.

The meeting closed at 2.00pm.

Approved and signed as a correct record subject to any corrections made at the meeting held on 26th September 2022.

CHAIR

Cabinet Forward Work Programme – 20th September 2022

Meeting date:	Report title:	Key issue:	Presenting Officers:	Cabinet Member:
26/09/2022 14:00	Car Parking Charges 2022	To update Cabinet on the outcome of the car parking scrutiny task and finish group and to seek decisions on future strategy for town centre car parking charges	Marcus Lloyd	Cllr. Julian Simmonds
26/09/2022 14:10	Cost of living Crisis	To provide Cabinet with an update with regard to work undertaken and future travel	Dave Street	Cllr. Carol Andrews
26/09/2022 14:20	Shared Prosperity fund	To update Cabinet on the UK Government Shared Prosperity Fund as part of the UK Government's Levelling Up programme following submission of the regional investment plan and to seek Cabinet approval of the Caerphilly local investment plan.	Rhian Kyte	Cllr. James Pritchard
26/09/2022 14:30	Provisional Revenue Budget outturn for 2021/22	To provide Cabinet with details of the provisional revenue budget outturn for the 2021/22 financial year prior to the completion of the annual external audit of the accounts by Audit Wales.	Stephen Harris	Cllr. Eluned Stenner
26/09/2022 14:40	Bryn Carno, Rhymney Remediation Works	To update Members on a business case submitted to WG to undertake remedial works to address issues associated with failed external wall insulation to both Caerphilly Homes' and private residential properties at Bryn Carno, Rhymney, and to seek approval for an HRA contribution towards the project should the business case be approved.	Nick Taylor-Williams	Cllr. Shayne Cook

Cabinet Forward Work Programme – 20th September 2022

Meeting date:	Report title:	Key issue:	Presenting Officers:	Cabinet Member:
26/09/2022 14:50	Transitional Accommodation Capital Programme	To make members aware of the Transitional Accommodation Capital Programme, and officer views on potential sites within the county borough and to understand the possible financial implications for the authority and possible grant assistance with the scheme.	Nick Taylor-Williams	Cllr. Shayne Cook
05/10/2022 13:00	Trinity Fields update	To update Members on the plans to expand Trinity Fields	Sue Richards/ Andrea West	Cllr. Carol Andrews
05/10/2022 13:10	Outline Business Case for Cwm Ifor Solar Farm Proposal	To seek Cabinet approval to proceed with the planning application, initiate the consultation processes and to sign the option agreement and lease that sits behind the proposed Solar Farm development	Anna Lewis, Sue Richards, Allan Dallimore	Cllr. James Pritchard

Cabinet Forward Work Programme – 20th September 2022

Meeting date:	Report title:	Key issue:	Presenting Officers:	Cabinet Member:
05/10/2022 13:20	Agile Working Update	To receive an update on the Councils approach to Agile Working.	Lynne Donovan	Cllr. Nigel George
05/10/2022 13:30	Shaping the Policy on cash collection	To receive an update on the payment methods currently available to our residents and service users and to consider recommendations in respect of the future policy on cash payments.	Stephen Harris	Cllr. Eluned Stenner
05/10/2022 13:40	Authorisation of Officers in Public Protection	For Cabinet to note the introduction of new legislation relevant to the responsibilities of the Public Protection service and to approve additional authorisation so that Officers may carry out their duties.	Robert Hartshorn, Jacqui Morgan	Cllr. Philippa Leonard
05/10/2022 13:50	Safer Caerphilly Community Safety Partnership	For Cabinet to note an update on the work of the Safer Caerphilly Community Safety Partnership, to endorse the latest Terms of Reference, and to approve the Cabinet Member as a voting representative on the Safer Caerphilly Community Safety Partnership.	Robert Hartshorn	Cllr. Philippa Leonard

Cabinet Forward Work Programme – 20th September 2022

Meeting date:	Report title:	Key issue:	Presenting Officers:	Cabinet Member:
19/10/2022 13:00	Workforce capacity and associated challenges	For members to consider the recruitment and retention challenges	Lynne Donovan	Cllr. Nigel George
19/10/2022 13:10	Bryn Community Engagement Proposal	To propose a terms of reference for a Community Group to be established.	Mark S Williams	Cllr. Philippa Leonard
19/10/2022 13:20	Annual Corporate Complaints Report	To provide Cabinet with an overview of the complaints dealt with under the Corporate Complaints policy for the period 1st April 2021 to 31st March 2022 together with the outcomes and lessons learned.	Robert Tranter, Lisa Lane	Cllr. Nigel George
19/10/2022 13:30	Final Report from the Task and Finish Group on Tackling Potential Mental Health Issues Post-Pandemic	This report seeks to inform Members of the Social Services Scrutiny Committee of the findings of the task and finish group that was established to review how Caerphilly County Borough Council works with partners to tackle any potential mental health issues post-pandemic.	Mark Jacques/Cath Forbes-Thompson	Cllr. Elaine Forehead
02/11/2022 13:00	Caerphilly Homes (Development) Forward Work Programme	To discuss the next set of sites that will be brought forward as part of the Caerphilly Homes development programme and Caerphilly Homes governance arrangements	Nick Taylor-Williams, Jane Roberts-Waite	Cllr. Shayne Cook

Cabinet Forward Work Programme – 20th September 2022

Meeting date:	Report title:	Key issue:	Presenting Officers:	Cabinet Member:
02/11/2022 13:10	Low Cost Home Ownership Policy (Decision)	The LCHO (Low Cost Home Ownership) report will document the formulation, implementation and the publication of a new policy which governs the process by which the Council will sell homes to people living and/or working in the borough wanting to access homeownership but cannot afford to do so without some form of public subsidy.	Nick Taylor-Williams, Jane Roberts-Waite	Cllr. Shayne Cook
16/11/2022 13:00	Street lighting	Review of current street lighting part night lighting policy in view of increasing carbon reduction targets and the declared climate emergency.	Marcus Lloyd	Cllr. Julian Simmonds
16/11/2022 13:00	The Biodiversity and Resilience of Ecosystems Duty Ecosystem Resilience Duty	To consider and approve a report on the actions taken to help maintain and enhance biodiversity prior to publication in accordance with the biodiversity duty under the Environment (Wales) Act 2016.	Robert Hartshorn, Philip Griffiths	Cllr. Chris Morgan

Cabinet Forward Work Programme – 20th September 2022

Meeting date:	Report title:	Key issue:	Presenting Officers:	Cabinet Member:
16/11/2022 13:00	Notice of Motion - Wyllie Bends	For Cabinet to consider the proposals put forward by Cllr. Janine Reed/Cllr. Jan Jones.	Emma Sullivan	Cllr Janine Reed/Cllr Jan Jones
30/11/2022 13:00	Redevelopment of the former Oakdale Comprehensive School site by Caerphilly Homes	For Cabinet to approve the contract, cost plan, design and environmental credentials of the scheme, along with continuation of the SCAPE framework agreement, social value plan and sales & marketing strategy.	Nick Taylor-Williams, Jane Roberts-Waite	Cllr. Shayne Cook
30/11/2022 13:10	Redevelopment of the former Ty Darran Care Home by Caerphilly Homes	For Cabinet to approve the contract, cost plan, procurement, design and environmental credentials of the scheme.	Nick Taylor-Williams, Jane Roberts-Waite	Cllr. Shayne Cook
30/11/2022 13:20	Cyber Security Strategy	To recommend endorsement and implementation of the Strategy	Lucas, Liz, Ian Evans	Cllr. Nigel George

Cabinet Forward Work Programme – 20th September 2022

Meeting date:	Report title:	Key issue:	Presenting Officers:	Cabinet Member:
30/11/2022 13:30	Programme for Procurement	To extend the Council’s existing Programme for Procurement, which is due to expire in May 2023 for a period of up to 12 months to consider and where applicable incorporate aspects of the UK Procurement Bill and Social Partnership & Public Procurement (Wales) Bill in the Council’s new Procurement Strategy (the new Procurement Strategy will replace the existing Programme for Procurement).	Liz Lucas, Ian Evans	Cllr. Nigel George
14/12/2022 13:00	Waste Strategy Proposals	Consideration of options to achieve compliance with Welsh Government statutory recycling targets and other waste service improvements.	Mark S Williams, Marcus Lloyd	Cllr. Chris Morgan
14/12/2022 13:10	Local Housing Market Assessment	The Delivery Plan sits underneath the Local housing Strategy which was approved in October 2021. It is designed to be a collaborative document that contains a number of key actions designed to take forward the objectives of the strategy.	Nick Taylor-Williams, Jane Roberts-Waite	Cllr. Shayne Cook
14/12/2022 13:20	Updated Welsh Government Prospectus (Decision)	Cabinet are asked to approve the principle of residential development on identified sites (subject to viability) and acquisition policy, the principle of package deals and new governance arrangements to underpin the development programme.	Nick Taylor-Williams, Jane Roberts-Waite	Cllr. Shayne Cook

Cabinet Forward Work Programme – 20th September 2022

Meeting date:	Report title:	Key issue:	Presenting Officers:	Cabinet Member:
14/12/2022 13:30	HRA Charges (Rent Increase) (Dec)	Members to agree the level of rent increase for council tenants effective from April 2023	Nick Taylor-Williams, Lesley Allen	Cllr. Shayne Cook



CABINET – 26TH SEPTEMBER 2022

SUBJECT: CAERPHILLY COUNTY BOROUGH COUNCIL CAR PARKS TASK AND FINISH GROUP

REPORT BY: CORPORATE DIRECTOR FOR ECONOMY AND ENVIRONMENT

1. PURPOSE OF REPORT

- 1.1 This report seeks to inform Cabinet of the recommendations of a joint meeting of the Environment and Sustainability and the Housing and Regeneration Scrutiny Committees held on the 28th July 2022. The Joint Scrutiny Committee considered the findings of the Caerphilly County Borough Council Car Parks joint task and finish group. Cabinet is asked to consider the recommendations of the joint scrutiny outlined at 3.2.

2. SUMMARY

- 2.1 The Task and Finish Group agreed that its terms of reference would be to 'to review town centre car parking charges in view of the effects of the pandemic on the high street economy'. The group decided to concentrate on the 6 main Towns of the County Borough, Bargoed, Blackwood, Caerphilly, Newbridge, Risca and Ystrad Mynach.
- 2.2 The group reviewed published research on car parking strategies and charging and also considered information on previous annual income and costs associated with running car parks, which in 2018/19 showed a total income of £652,124 and costs of £257,130. The group were advised that the excess income/surplus is used to also fund other service elements within the Infrastructure Division such as roads maintenance and is not ringfenced for the car parks.
- 2.3 The Task and Finish Group agreed to carry out a public survey to establish what towns people visit, why they visit, how they travel and were asked to rate the importance of a number of statements related to car parks. The response to the survey was good with 1545 responses received. The group also received narrative comments on individual experiences since car parking charges were suspended.
- 2.4 The group also sought to gather the views of businesses in the town centres, and it was agreed to add questions to an already planned business survey. Unfortunately, the responses to the survey were poor with only 12 received. The group also considered footfall figures for the towns and compared figures before and during the Covid Pandemic.

- 2.5 The group agreed that their priority was to ensure that car park spaces are available for visitors to the town centres when they are needed. Members have therefore suggested two options for scrutiny to consider, both offer a reduced initial cost for parking either one hour or two. The overall aim is to encourage people to visit the towns whilst also ensuring turnover of spaces (“churn”) in busier car parks.
- 2.6 The group were advised that any changes to the software and ticketing machines to amend the charging tariffs will take approximately 8 to 10 weeks to implement and Cabinet would therefore need to consider if they wish to extend the suspension of free parking whilst the changes are implemented.

3. RECOMMENDATIONS

Cabinet is asked to consider and endorse the findings of the Caerphilly County Borough Council Car Parks Task and Finish Group and the recommendations of the joint Environment and Sustainability, and the Housing and Regeneration Scrutiny Committees as follows:

- 3.1 To reduce the initial hourly charge at Caerphilly County Borough Council car parks to the First hour at 40p with subsequent hours at the existing tariff.
- 3.2 The continued suspension of car parking charges until the car park ticket machine software can be amended, and to allow sufficient time for this to be undertaken, to agree that the re-introduction of charges in accordance with 3.1 above is implemented from January 2023.
- 3.3 To provide additional funding for the Highways Services budget to meet the shortfall as outlined in the Financial Implications based on the estimated annual income loss of £83k.
- 3.4 That an impact report is provided to scrutiny 12 months after the implementation of the changes if they are approved.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 These recommendations have been suggested to improve the availability of car park provision in town centres and encourage visitors to the high streets.

5. THE REPORT

- 5.1 The car parks task and finish group was established firstly in 2016 and made its first report to the Regeneration and Environment Scrutiny Committee on 4th July 2017. The group reconvened to consider the impact of civil parking enforcement and reported to a joint meeting of the Environment and Sustainability and the Housing and Regeneration scrutiny committees on the 15th of December 2020. The task and finish group then re-convened for the third time to consider car parking charges following the temporary suspension of charges in town centres during the coronavirus pandemic.

Membership

- 5.2 Members of the Environment and Sustainability and the Housing and Regeneration scrutiny committees were invited to participate in the review and the following members indicated that they would like to join the group:

Councillor A. Hussey,
Councillor P. Leonard
Councillor B. Owen,
Councillor D. Preece (Chair)
Councillor J Ridgewell (Vice Chair)
Councillor J. Roberts
Councillor W. Williams

- 5.3 Expressions of interest were received from councillors not on the respective scrutiny committees as stated in 5.2. In view of number of places filled by members from the parent scrutiny committees, there were spare places. In addition, the Members who had expressed an interest have particular knowledge and skills that would be of benefit to the group. The group were therefore asked to accept the following councillors as co-opted members:

Councillor N. Dix
Councillor S. Morgan
Councillor G. Simmonds
Councillor J. Taylor

Terms of Reference and Methodology

- 5.4 The task and finish group met for the first time on 20th October 2021 and held a total of 4 meetings and 1 workshop. The group agreed to receive an update on impact of the suspension of parking charges to include loss of income, staffing implications and costs to run the car parks, including possible impact on grant funding and agreed the following terms of reference:

'To review town centre car parking charges in view of the effects of the pandemic on the high street economy'

The group agreed that the focus would be on the main towns in the county borough, namely:

- Bargoed
- Blackwood
- Caerphilly
- Newbridge
- Risca
- Ystrad Mynach

In concluding the scope to include these town centres, the group noted that cabinet decisions had previously been made in relation to car parking charges in country parks in accordance with the outcomes of the previous task and finish group work. These included removal of car parking charges at all Country parks other than Cwmcarn scenic drive given its significant regional tourism status. This joint task and finish group did not express any desire to re-visit previous decisions in relation to car parking charges at country parks.

The group considered the methodology for the review and agreed the following:

- Review existing research and policies
- Pros and cons of free parking
- Consult with town centre businesses
- Gather information from the public on how and why they visit towns.

It was agreed that further work will be needed to look at resident parking permits.

AVAILABLE RESEARCH

- 5.5 Prior to the first meeting the group were provided with examples of research carried out on car parking strategies and assessing the impact of car parking charges and some of the findings of the research is highlighted below:

Assessing the Impact of Car Parking Charges on Town Centre Footfall

This report was commissioned from MRUK Research by Welsh Government and published in 2015 and can be found here: [150610-assessing-impact-car-parking-charges-town-centre-footfall-en.pdf \(gov.wales\)](#) . The research looked at:

- The relationships between local authority decision making in relation to parking charges in Wales.
- The views of people visiting town centres cross Wales
- The views of local stakeholders
- Examples of best practice across the UK

The key conclusions of the research included the following points:

- Car parking charging is a complex issue and one that is part of a mix of factors that affect the impact of car parking more generally, as well as the health of local economies at a more macro level.
- Car parking charges are only one of a number of factors at play in influencing footfall and town centre vitality. The research has indicated that the following parking related factors are important determinants of people's behaviour in relation to town centres.

- ❖ Availability of spaces
 - ❖ Restrictions on parking (i.e., how long people can park for)
 - ❖ Proximity of parking to intended destination
 - ❖ Traffic flow
 - ❖ Signage
 - ❖ Overall retail offering
 - ❖ Out of town retail offering
 - ❖ Out of town parking charges
 - ❖ Price of car parking
 - ❖ Security of car park
 - ❖ Incentives for parking
- The survey carried out by the researchers also indicated that, while people did agree that car parking charges affect their behaviour, convenience is also a critical factor. In addition, the accessibility of spaces, the number of spaces, and the proximity of parking to the town centre were all shown to be as important as cost.
 - 'blanket' free parking strategy has been suggested to encourage more car park users, these were generally found not to benefit target visitors (for example town centre workers who were taking up the spaces all day, rather than shoppers) and consequently had a surprisingly negative impact on footfall. Contrastingly, another Local Authority implemented this type of scheme during their Christmas shopping period and found that footfall, of people coming into the town specifically to shop, increased.
 - Visitors suggested that car park charging was likely to have an impact on how long they decided to stay in the town centre and, consequently, how much they would spend whilst there.
 - So, whilst there is evidence to suggest that car parking charges do have an impact on decisions about whether or not to drive into a town centre and behaviours once in the town centre, general availability of spaces and the extent to which the car park is likely to be busy are often felt to be more important factors than cost in their overall decision about visiting.
 - the impact that similar charging strategies can have in different town or city centres emphasises the point that charging must be tailored to the demographic and retail/ business offering nuances of the local area, in order to optimise the positive impact that charging has on footfall and the overall health of the local economy. Remaining engaged with the key stakeholders involved in the local

economy, for example business owners, shoppers, council members etc., is also key to ensuring the optimum charging strategies are adopted

Research into Car Park Charging Strategies Report 2017

This report was commissioned by Welsh Government and looked at whether there is evidence of a link between free car parking and town centre footfall, and consider the views and experiences of local authorities on free car parking.

The research consisted of a literature review to provide an understanding of various car parking strategies across the UK and beyond, to see if there is evidence of links between car parking strategies and town centre footfall/visitor numbers. In addition, there was a survey of all local authorities in Wales to gain an understanding of various car parking charge and strategies, perceived benefits and challenges of all day free parking. A link to the report can be found here: [Research into car park charging strategies | GOV.WALES](#)

The findings of the research highlighted the following:

- A report undertaken by the British Parking Association by McDonald (2013), does present a correlation between a reduced parking cost and an initial increase in footfall but the report did not look at completely free car parking.
- An evaluative study by Van Der Waerden et al (2009) used a questionnaire to ascertain travel and shopping behaviours before and after the introduction of paid parking in an individual's town or city centre. The results of the questionnaire showed a considerable decline in shopping behaviour and consumer expenditure after the introduction of paid parking. In this case, change in consumer expenditure was linked to visit frequency which was significantly dependent on car parking charges.

This research highlighted the two case studies within a Wales specific context are mentioned in MRUK (2015) above.

- Wrexham and Denbighshire County both implemented completely free all day car parking throughout a period of time and measured the impact that this had on usage and footfall. In Wrexham, monitoring showed that within the free multi-storey car park, excess demand (from workers and visitors) led to visitors being unable to find a space.
- In Denbighshire County, similarly to Wrexham, the free all day car parking was taken up by workers in the town rather than visitors. A report published by RGDATA (2013) also looked at the model of completely free car parking and claimed that this can be found to lead to excess demand, resulting in more congestion in the 5 town/city centre, and more visitors spending their time cruising to find an available space rather than spending time and money within the centre.

The report states that there is some evidence that business owners and shopkeepers tend to believe footfall and consumer expenditure is based on car parking prices,

whereas visitors to the town centres generally base their decision to visit a town centre on other factors.

- The review of London Councils (Tyler et al 2012) suggests that parking fees are correlated with the level of service in an area, and willingness to pay for parking is not seen as a fundamental influence on increasing or decreasing footfall: “In opposition of offering free or cheaper parking as an offer to attract people to retail centres, the TRL report (2010) (citing evidence from Betts (2009) and Litman (2010)) explains that parking fees can be correlated to the level of service in an area (quality of retail mix). For example, a convenient, diverse and quality mix of retail will attract people to one centre over another, even if the second centre offers free parking.”
- A report by McDonald (2013) suggests that the number of parking spaces as opposed to the cost of parking will initially increase footfall. The study identified a number of parking measures which affect an increase or decrease in visits. These included parking and payment methods, enforcement and fines, security, provisions for disabled users, location of the parking and the quantity of spaces. When also looking at what determines decisions to visit a town/city centre, MRUK (2015) finds that out-of-town competition such as retail parks, the economic vibrancy of the town centre and the size of the town centre in comparison to the county are all important factors. The report also includes statements from typical town centre visitors, who feel that the availability of spaces, traffic flow within the town centre and signage were more important in determining visitation rather than the cost of parking. The report concludes that the cost of parking cannot be looked at in isolation to 6 convenience and availability of the car park. Another study found that the decision to reduce the number of visits to the town centre made by potential visitors was due to feeling burdened by parking restrictions as opposed to the cost of parking (Palmer & Ferris 2010).

5.6 The Task and Finish group were also provided with two other research reports as background reading:

Measuring the impact of two free hours car parking on town centre businesses – Vale of White Horse District Council [Microsoft Word - Impact of 2 hour free parking - 2013.doc \(svbs.co.uk\)](#)

This report reviewed the impact of two hours free parking in council owned car parks introduced in December 2011, on the towns of Abingdon, Faringdon and Wantage plus the settlement of Botley. The review consisted of three business surveys, one carried out before the introduction the free parking, another one year after the introduction and another two years after the introduction.

The conclusions from the surveys showed that businesses felt that the two hour free parking has had a positive effect on footfall, the number of customers and turnover.

Re-Think! Parking on the High Street: Guidance on Parking Provision in Town and City Centres 2013 [re-thinking_car_parking.pdf \(britishparking.co.uk\)](#)

The Association of Town & City Management (ATCM) the British Parking Association (BPA), Springboard Research Ltd and Parking Data & Research International (PDRI) joined forces to explore what evidence can be collated and what can be learned regarding the relationship between car parking provision and town centre prosperity.

Some of the key findings were:

- Parking operators are providing parking provision which equates to the footfall levels achieved by their location.
- There is no clear relationship between car parking charges (set by parking owners/operators) and the amenities on offer in a location with some mid-range and smaller centres charging more than what is consistent with the national average
- The mid-range and smaller groupings of centres that charge more than the national average in accordance with their offer, suffered a higher than average decline in footfall for 2011.

These findings come with caveats. They do not conclusively demonstrate that parking tariffs are influencing decline in locations across the UK, or suggest that all centres in the specified range have tariffs higher than the national average. They do however suggest that further research is needed over time to learn more about the relationship between town centre prosperity and parking tariffs and that mid-range and smaller centres in particular, must play a role here.

Ultimately, there is no simple formula that can be given on determining the right kind of tariff to be introduced nationally because every location is exposed to an individual set of dynamics and factors. The only universal answer is that local authorities and other operators must develop a plan for parking provision that faces up to the question, "What and who is our parking for?" and complements a wider strategy for accessibility that again, fits with a strategy for the town centre or local authority area.

Car Parks in the County Borough

5.7 The review group were provided with a presentation to outline the current provision of car parks in the county borough, their location and number of parking bays. The following is a list of the types and numbers of car parks in the main towns considered by the group, with the number of bays is in brackets:

Town	Pay & Display (P & D)	P & D/ Season Tickets	Residents only	Residents & Season Tickets	Free	Free 2 hrs & season tickets
Bargoed	0	2 (68 bays)	0	0	4 (174 bays)	0
Blackwood	5 (332)	4 (214)	2 (19)	1 (20)	1 (25)	
Caerphilly	1 (62)	3 (210)	0	0	0	2 (24)
Newbridge	0	0	0	0	5 (67)	0
Risca	0	0	0	0	4 (124)	0
Ystrad Mynach	1 (64)	0	0	0	0	0

Income and Costs

- 5.8 The review group were provided with information on the income generated before charging was suspended, as follows;

Income 2018/19

Ticket Sales £571,101

Excess Charge Notices (ECN's) £81,023

Total Income = £652,124

Costs 2018/19

Energy Costs £7,358

Staff and resources £117,185

NNDR £132,586

Total Costs = £257,130

- 5.9 The group were advised that the income above refers to ECNs which ended in March 2019, since then we now issue a Parking Charge Notice (PCN). The group were informed that it's impossible to predict income levels for these in our car parks as it forms part of the Civil Parking Enforcement Operations. The excess income/surplus is used to fund other service areas within the Division such as roads maintenance and is not ringfenced for the car parks. The group were advised that there is no specific amount allocated to the car parks each year, as requirements can change from for year to year. In some years for example larger amounts may be needed maintenance works.
- 5.10 The group discussed NNDR – National Non-Domestic Rates which is applicable to all car parks, regardless of whether there is a charge for parking. The NNDR on all property/land is based off the estimated rateable value of the asset on the open market, which is usually assessed by the Valuation Office every 5 years. Then an NNDR multiplier (for business rates) is applied to the estimated rateable to give the annual NNDR as the multiplier increases each year. As part of the assessment period, we sometimes have to complete forms confirming we own an asset and any income etc received from it. Sometimes our Valuers have been involved in assessments or appeals if we believe the rateable value to be too high.
- 5.11 In Wales there will be a revaluation of all non-domestic properties with effect from 1st April 2023. This task is performed by the Valuation Office Agency, an external organisation part of HMRC, with the revaluation based on rental information etc as at 1st April 2021.
- 5.12 Members expressed concerns that the authority is responsible for payment of NNDR for park and ride car parks, and other running costs. They compared a person parking in a park and ride car park who then travels to Cardiff by train, to people who park in pay and display to visit our local towns. Members felt that local visitors are subsidising the park and ride users. It was explained that the authority has taken a decision to not charge at park and ride car parks, but this could be reviewed at a later date. It was suggested that this could be a recommendation that the group re-

convenes and consider this issue. The park and ride car parks were excluded from consideration for the purposes of this review.

Footfall in Town Centres

- 5.13 The group received comparison data on footfall figure before and during the pandemic. The table below shows some of the data with same months for different years for comparison. A full list of footfall is attached as appendix 1.

Month	Bargoed	Blackwood	Caerphilly	Newbridge	Risca	Ystrad Mynach
April 2018	44681	134320	106805	30164	33076	60678
April 2019	46500	130453	98607	65901	32207	57738
April 2020	13943	29810	32449	21481	16947	23838
April 2021	30231	81031	64996	26899	24248	44678
Aug 2018	49924	149020	115388	33371	35324	52810
Aug 2019	50912	139405	106797	67330	32712	48571
Aug 2020	35040	82943	81645	26866	22561	37169
Aug 2021	45226	118457	103191	33436	26100	57875

Task and Finish Group Research

- 5.14 The task and finish group discussed options for gathering information from the public on car parking and gain an understanding why people visit town centres. The group also considered how best to engage with town centre businesses. It was decided that the group would carry out an on-line public survey and group members were provided with links to the survey to allow them to encourage a good response. It was also agreed that the Communications team would be asked to share on the Councils social media as well.
- 5.15 The group were also keen to engage with town centre businesses and following discussion it was agreed that additional questions from the group would be added to the already planned Town Centre Business Survey, to avoid duplication of similar requests. The Town Centre Manager agreed to facilitate this element of the research.

Public Survey

- 5.16 The questions for the public survey were drafted and agreed by the members of the group, translated into Welsh and the link to the survey was published on the Council website and shared on social media, with the survey open for two weeks. All task and finish group members were provided with the link and kept updated with the level of responses during the two-week period and Town and Community Councils were also sent the link.

Respondents

- 5.17 After two weeks there were 1545 responses to the survey, 1478 were residents of the county borough, 6 elected members, 19 business persons, 2 third sector, 1 other public sector representative, 17 members of staff and 22 other (visitors). Based on the population size of the county borough (178,806) the percentage of overall responses was 0.9%.
- 5.18 The number of respondents were broken down and compared to the profile of Caerphilly County Borough population. We have to use the 2011 census data, as the results of the 2021 census are not due to be published until 28th June 2022. The gender breakdown for the survey was as follows:

Gender	Number of Responses	% of population	Population size 2011
Female	974	1.07%	91,105
Male	520	0.59%	87,701
Other	1	-	-
Prefer not to Say	38	-	-

- 5.19 Of the respondents 275 (17.8%) stated they had a disability, 1173 stated they did not have a disability and 78 preferred not to say. It is difficult to compare this to the census data but the 2011 data shows that the percentage of those that were long term sick/disabled, 8.6% of males and 7.8% of females.

- 5.20 The age groups of respondents were as follows:

Age Range	Number of Responses	% of Responses
<16	0	0%
16-26	49	3.2%
26-39	371	24%

40-49	300	19.4%
50-65	503	32.6%
66>	301	19.5%

It is difficult to compare age ranges of the respondents to the age ranges in the census data to see if the responses were representative, as they are not precisely the same. But broadly speaking in 2011 those aged 66+ in 2011 were 16.5% of the population, showing that these age groups are slightly overrepresented in the survey results. For those aged up to 26 in 2011 they made up 30.5% of the population, so the above results show an under representative response level. In terms of the mid age ranges (between 26 to 65), in 2011 these groups made up of 52.8% of the population, which is about 20% lower than the above responses, showing that these age groups are overrepresented in the survey results.

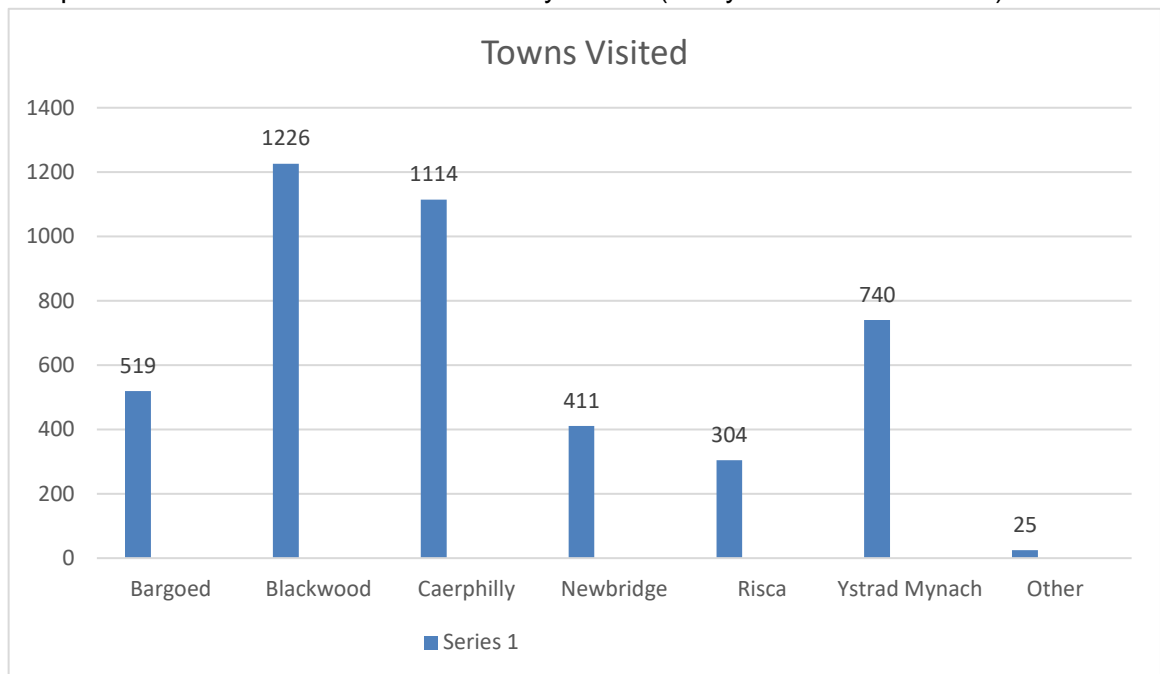
- 5.21 Respondents were asked to provide their postcodes to allow the reviews group to see if there were a range of responses across the county borough, the majority of responses were as follows:

Postcode	Areas	Number of responses for area	Response rate for area	Proportion of all Responses	Area Population size relative to CCBC
CF46	Nelson,	25	0.5%	0.01%	2.6%
CF81	Fochriw, Deri, Pontlottyn, Aberbargoed, Bargoed	120	0.7%	0.07%	9.2%
CF82	Gelligaer, Hengoed, Cefn Hengoed, Maesycwmmmer, Ystrad Mynach	200	1%	0.11%	11.3%
CF83	Caerphilly, Llanbradach, Abertridwr, Senghenydd, Bedwas, Machen	440	0.8%	0.25%	30.9%
NP11	Abercarn, Cwmcarn, Newbridge,	224	0.6%	0.13%	21.1%

	Ynysddu, Cwmfelinfach, Risca				
NP12	Blackwood, Markham, Argoed, Oakdale, Pontllanfraith	483	1.4%	0.27%	18.7%
NP24	New Tredegar	19	0.4%	0.01%	2.8%

Survey Findings

5.22 Respondents were asked what towns they visited (many visit more than one):



Frequency of Visits

5.23 Respondents were then asked to state how often they visit. Some of the main findings from the responses showed the following:

Main Town	Daily Visits	Weekly Visits	Monthly Visits	Never
Bargoed	63	209	238	726
Blackwood	178	607	311	161
Caerphilly	152	430	426	146
Newbridge	58	197	166	840

Risca	60	119	121	956
Ystrad Mynach	112	256	310	439

Mode of Transport

5.24 Respondents were asked how they travel to their main town choice (option to choose more than one).

Mode of Transport	Number of Respondents
Car (driver)	1412
Walk	412
Car (passenger)	362
Bus	133
Bicycle	31
Taxi	24
Train	15
Motorbike	14
Other	6

Reasons for Visiting

5.25 Respondents were asked why they chose to visit their main town choice more often (option to choose more than one).

Reason for Choice	Number of Respondents
More Convenient	1186
Service is located here	612
Selection of Shops Better	450
Easier Parking	373
Prefer the town	362
Parking charges are lower	166
Public Transport	151
Other	118

No Other Choice	22
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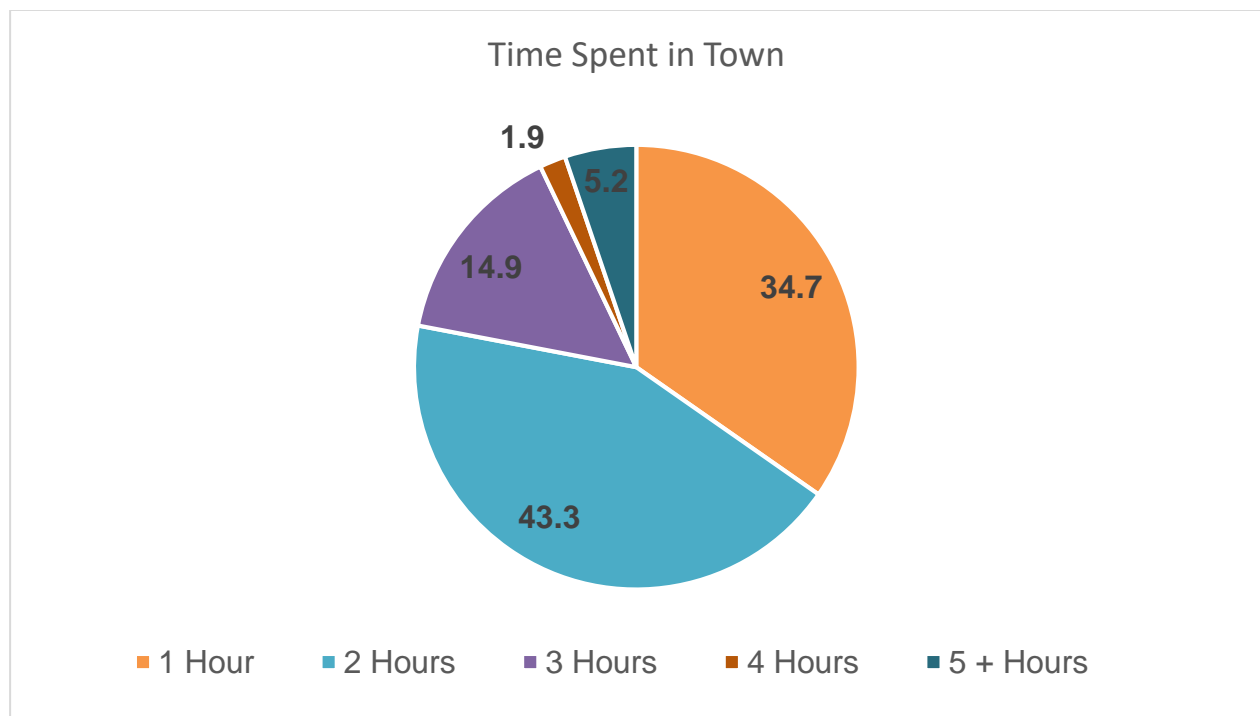
Most Recent Visit

5.26 Respondents were asked the reasons for their last visit to their main town choice (option to choose more than one).

Reason for last Visit	Number of Respondents
Non-food shopping	701
Food shopping	617
Personal business or appointment	550
Leisure	523
Meet friends	323
For work	107
Other	107
Library	93
Tourism	25

How Long on Average do they Spend in the Town?

5.27 Respondents were asked how long on average do they spend in the town.

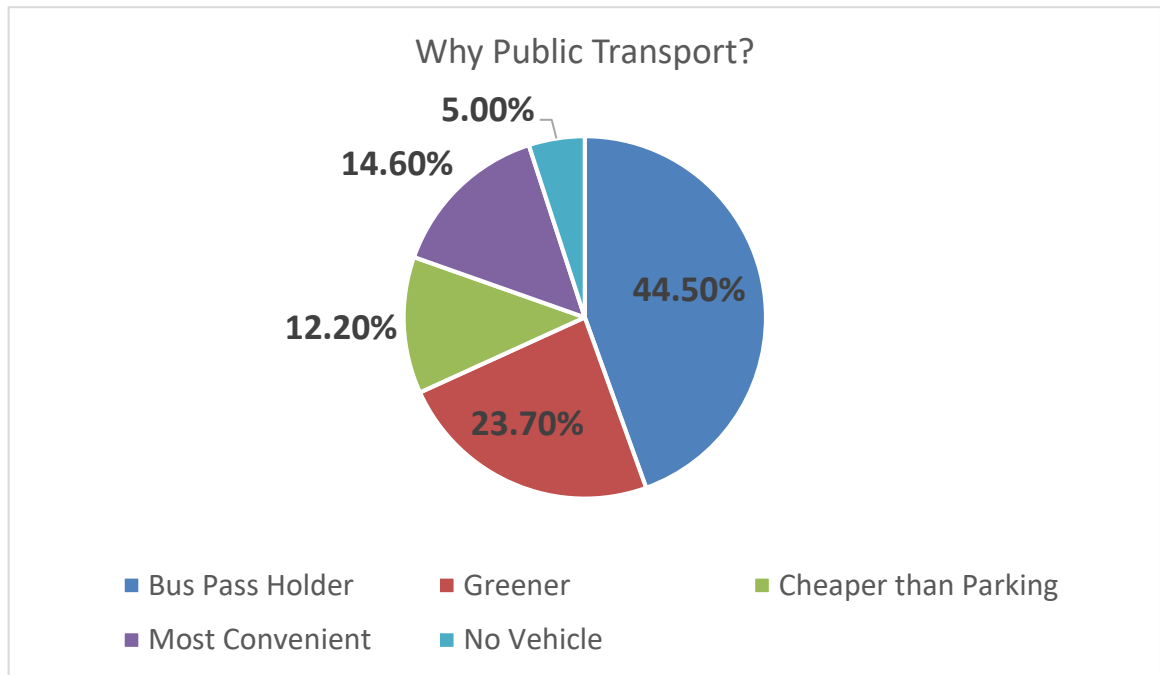


What Would Encourage Them to Spend More Time in the Town?

5.28 When asked what would encourage them to spend more time in the town 46% said shops, this was further elaborated into the selection, variety, choice etc. 31% said free parking would encourage them to stay for longer, and 3% said parking charges, with 2% stating better parking or parking fees.

Public Transport Users

5.29 The survey asked those that used public transport to visit the towns to give the reason for their choice. There were 515 respondents to this question and the chart below shows that the highest number of those travelling by public transport were bus pass holders.



Does your Disability Affect your Transport Choices?

5.30 The survey asked those people who identified as having a disability to rate the following statements as true to see if their disability affected their choice of transport.

Question	Not True	Slightly True	Somewhat True	Extremely True
I find it easier to travel in a private vehicle	4.9%	3.9%	12.7%	78.6%
My Disability prevents me from driving	88.5%	5.1%	4.2%	4%
I have no problem using public transport	25.6%	19.6%	22.6%	32.2%

My Disability means I cannot easily access public transport	65.4%	10.1%	14.6%	9.9%
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Where do People Usually Park?

5.31 Respondents were asked to indicate where they usually park when they visit town centres.

Where do you Park	Responses
Paid car park – currently suspended	752
Free Car Park	424
Time Limited on Street	171
Free on Street	113
Private Business	10
Residential	10

Importance of various aspects of car parks.

5.32 The respondents were asked to rate the importance of the following when they consider whether to drive to a town centre and park there. They were asked to score out of 5, where 5 is Very Important and 1 is Not Important.

How Important are (number of responses)	1	2	3	4	5
Convenience of Payment Systems (1381)	93	88	310	282	608
Information/Facilities in Car Park (1387)	151	163	432	284	357
Road Congestion into Town Centre (1404)	89	135	438	300	442
Opening Times of Car Parks (1410)	108	118	337	315	532
Security of Car Park (1418)	76	108	342	351	541
Distance from Town Centre (1434)	90	98	322	287	637
Price of the Parking Ticket (1430)	75	33	115	158	1049
How Busy the Car Park is Likely to be (1433)	59	49	293	394	638
Availability of Spaces (1519)	48	23	136	273	1039

The responses show that respondents consider the most important aspect of car parks are the price of the car parking and availability of spaces. The least important were Information and facilities in the car park and opening times.

Narrative Comments

- 5.33 A number of respondents provided additional comments on car parks and some of these highlighted below;
- 'Free parking - the system just isn't working as far as the Twyn car park is concerned. People working in the town are using this and parking all day, there is never any spaces for visitors or shoppers. Disabled people cannot walk from Crescent Road to the town. Bring in a time limit or make it pay and display please.'
 - 'Parking should be free and the council charge everybody for everything, you get rent from the shops so help the shops stay open by encouraging the public to keep returning it's a fact that places with free parking brings the public by the thousands. open and keep the public coming to our shops don't drive people away.'
 - 'You charge for parking and your driving people out of the area and turning our towns into ghost towns with empty boarded up shops with no money going to the council on rented shops it doesn't take a genius to recognise the economic consequences of parking fees don't be greedy keeps the shops.'
 - 'The most practical method of control is charging but prices need to be cheap to encourage shoppers. I recommend reinstatement of pay and display but with much reduced short stay rates. For example, the current 1 and 2 hour rates could be reduced from 60p and 70p to 20p and 40p and the 3 hour remain at 90p'
 - 'Although it has been generous of CCBC to give free parking at the Twyn Car Park, I'm afraid the idea has had a backlash. Many people are parking there ALL day and thus making it impossible for people EVEN THE DISABLED TO PARK AT ALL. The added loss of space due to electric car recharge spaces has only exacerbated the situation - Surely you could now consider charging again and /or restricting parking to 2 Hours perhaps'
 - 'Car parking should be free for all shoppers for at least 2 hours after 2 hours they should be charged'

Business Survey

- 5.34 The responses to the business survey were disappointing with a total of 12 responses received. Initially the survey was sent to Town Centre businesses with a total of 6 responses received, following this, the request was sent to the wider business community to try and increase the number of responses, and this resulted in an additional 6 responses.

The responses were broken down into 5 retail, 1 rental and 6 service sectors, as follows:

- Bargoed – 2 responses - 1 retail and 1 service
- Blackwood – 5 responses – 3 retail and 2 service
- Caerphilly – 2 service sector responses
- Rhymney – 1 response rental
- St Mellons – 1 response - therefore discounted
- Ystrad Mynach - 1 response retail

5.35 The survey asked the following questions:

Question 1. Has there been an increase or decrease in footfall to your business compared to the footfall prior to the Coronavirus lockdown?

- Retail responses stated that 2 had an increase and 2 had a decrease, with 1 stating that they were new so had no comparator.
- Service/Rental sector – 1 stated there had been an increase and 3 stated a decrease.

When asked to quantify the differences the following comments were received:

Retail	Service/Rental
Busier by 20%	Decrease by 500
	Yes, all of my staff are now working remotely so the studio footfall has dropped considerably. That would have an impact on local retail as there will be at least 10 less people potentially visiting the centre of town.

Question 2. If the weekly footfall to your businesses has increased, do you consider free car parking is the reason?

- There were 3 out of 5 retail responses said yes to this question, and 2 out of 6 service/rental sector responded yes to this question.

When asked to comment why they stated:

Retail	Service/Rental
Free parking has had a huge help. People also spend longer in my business & spend more. Before they would always say 'my car parking is running out I need to go' free car park has been really positive	Parking (access to the offices) is certainly a consideration. It's not necessarily the cost - 50p is neither here nor there, but the convenience. Also, we have some private parking at our Blackwood office and since the introduction of free parking, there have been far fewer people parking in our car park to using other local services. When charging resumes, I expect this may change and we might need to engage parking enforcement
Free parking is the main factors. Better for myself parking for free and have had many comments on Free Parking from customers. If free parking continues Blackwood, I'm sure will grow as is Cwmbran	Free parking at the Twyn has been good, but it's so busy getting any spots is difficult. We are seeing more people trying to use our private carparking behind our studio which has made it difficult to park some days.

Question 3. What other impacts, if any, has free car parking had on your business?

Retail	Service/rental
New shoppers	General town footfall has fallen but not as much as if charging were in place More footfall
less parking tickets	Just the above and people using our private parking as no spaces in the Twyn, or blocking the entrance to it, which is between Casa Mia and the library, several times people park on the double yellows.
Very positive comments from customers	Free car parking is essential if the town centre are going to flourish again. Shopping for the likes clothes etc has gone - town centre have to become places to socialise
"It has meant people spend more time plus people no longer asking me for change constantly! People asking for change for the car Park meter was the Bain of my life"	

Question 4. Has the introduction of free parking in your town had an impact on your turnover?

Retail	Service/rental
4 said Yes	3 answered no
1 stated I'm guessing Yes	Hard to say it has impacted turnover, but I do think it has helped generally with access for clients
	I couldn't say as we don't have a retail business.
	Too early to tell due to covid restrictions being held for so much longer in Wales compared to England

Question 5. Do you consider that free parking encourages your customers to remain for longer when they visit the town?

Retail	Service/rental
5 said yes	5 said yes 1 said no

Question 6. Have you had any feedback from the public on the free parking initiative, either positive or negative?

Retail	Service/rental
1 Yes and 1 No	1 non applicable, 1 Yes and 1 No
All positive	Yes, in that it is much easier to call in to us
This allows customers to look through my shop which has tons of Vinyl Records with no worries about	I think it's positive, it's just always very busy so maybe if there was a way to restrict it for a certain amount of hours could be good as

getting a ticket which a few have when they get carried away when searching through the Boxes & Crates of Albums & 45's.	noticing some businesses are using it as their own parking. Easy to spot with the livery on their cars
We have positive feedback about this every day. People are very happy with it. They hated the pay & display system.	Free parking is positive but maybe restrict to 4hrs, so the immediate car park does not get full with workers.

Question 7. Do you consider that since free parking has been implemented that shoppers and visitors have found it more difficult to find spaces in car parks?

Retail	Service/rental
2 Yes 2 No	3 Yes 3 No
Have not heard this.	
Its working! Free Parking that is.	
We have had a few comments about car parks being full!	

Question 8. Do you have any other comments about the future of the free car parking in Caerphilly County Borough Towns?

Retail	Service/rental
Keep it. it makes it easier for visitors and locals to visit the local community shops	Hope they carry on with free parking
Free parking is one of the few things we have over Cardiff. Don't take it away!	Only to reinforce that for us, it's been a positive experience
Please continue with the free parking, it makes sense	Free parking is great, but maybe the issues with people parking there all day outweigh it.
Free car parking needs to stay permanently	For as long as supermarkets and out of town shopping has free parking our towns need to maintain free parking, or they will die.

Question 9. Businesses were asked to respond to the following statements:

Free car parking has	Agree	Disagree
"made it easier for clients / customers to access my business	9	2
attracted more people to shop in the town centre, increasing footfall on the high street	10	1
increased the number of visitors to my business/shop	8	3
increased client/customer wellbeing as they no longer feel time pressured	10	1
reduced the cost to staff and customers/clients working/visiting my business	10	1
attracted shoppers into town centres who would have otherwise shopped elsewhere	9	2

meant that people who have to use their cars to access shopping opportunities have not felt excluded	10	1
meant that there are fewer spaces available for visitors/shoppers	5	6

Options for Future Charging

5.36 The review group considered a range of options in relation to future charging and looked at the pros and cons whilst balancing them against the research and survey information). It was also recognised that some options (if subject to Traffic Regulation Order requirements) could take 6- 9 months to implement. It was explained that the income loss is an estimate as it is difficult to predict how shopping patterns would change if there were limited free parking. For example, if 1 hour free parking was offered, some people might prefer to curtail their visit to 1 hour to avoid paying, thereby reducing the time spent on the high street and also reducing the overall car parking income for the second hour.

The options were as follows:

Option	Detail	Pros	Cons
1. Return to previous charging	Charges reinstated in Sept 2022 at the current tariff	No changes would be required to TRO, signage, machine software etc.	Potential loss of trade in town centres.
2. One hour free	Current annual 1 hour ticket sales – 276,000 tickets = £174,000	Would encourage turnover of spaces. Perceived increase in trade.	Would require new TRO 6-9 months. A further 8–10-week period would need to be allowed to amend the machine software, which could not be commenced until the conclusion of the TRO process. May result in reduction of 2 hr ticket sales. Potential to cause confusion for customers who may not realise that they need to obtain a free ticket. Total loss of income would be - £174,000
3. Two hours free	Current annual 1 and 2 hour ticket sales – 480,000 tickets = £370,000	Would encourage turnover of spaces. Perceived increase in trade.	Would require new TRO 6-9 months. A further 8-10 week period would need to be allowed to amend the machine software, which could not be commenced until the conclusion of the TRO process.

			<p>May result in reduction of 3 hr ticket sales.</p> <p>Potential to cause confusion for customers who may not realise that they need to obtain a free ticket.</p> <p>Total loss of income would be £370,000.</p>
4. Free parking at all car parks	Loss of £652,124 per annum (2018/19)	Perceived increase in trade. Likely to be favoured by workers within the town centre.	<p>Would require new TRO 6-9 months to revoke charges. A further 8-10 week period would need to be allowed to amend the machine software, which could not be commenced until the conclusion of the TRO process.</p> <p>Unregulated use of the car parks could lead to excessive long-term parking.</p> <p>WG grant for P & D machines to be repaid £170k Costs such as NDR and maintenance would still need to be met.</p> <p>Total loss of income would be £652,124.</p>
5. Mix of free and paid parking	Where this is not currently available after September 2022	Would encourage use of underused car parks.	<p>Would require new TRO 6-9 months. A further 8-10 week period would need to be allowed to amend the machine software, which could not be commenced until the conclusion of the TRO process.</p>
6. Free after 3pm on weekdays and after 10am on Saturdays	Current annual ticket sales after these times (data taken from average weeks in May and September) – 189,000 tickets - £175,000	Would encourage visitors outside of normal peak hour trading?	<p>Would require new TRO 6-9 months. A further 8-10 week period would need to be allowed to amend the machine software, which could not be commenced until the conclusion of the TRO process.</p> <p>Total loss of income would be £175,000.</p>
7. Free on Mondays and Tuesdays	Current annual ticket sales on these days (data taken from average weeks in May and	Would encourage visitors on what are generally considered quieter shopping days.	<p>Would require new TRO 6-9 months. A further 8-10 week period would need to be allowed to amend the machine software, which</p>

	September) – 214,000 tickets - £225,000		could not be commenced until the conclusion of the TRO process. Total income loss would be £225,000.
8. Free on Saturdays	Current annual ticket sales on Saturdays (data taken from average weeks in May and September) – 109,000 tickets - £123,000	Perceived increase in trade.	Would require new TRO 6-9 months. A further 8-10 week period would need to be allowed to amend the machine software, which could not be commenced until the conclusion of the TRO process. Total income loss would be £123,000.
9. Up to one hour at nominal 20p rate Up to two hours at nominal 40p	Current annual 1 hour ticket sales – 276,000 tickets = £174,000 Current annual 2 hour ticket sales – 204,000 Current annual 1 and 2 hour ticket sales – 480,000 tickets = £370,000	Changes could be introduced using reduced TRO procedure (2-3 months).	Total loss of income would be £233,200 £55,200 (1 hour) plus £81,600 (2 hour). Could result in a reduction of 3 hour ticket sales. A further 8-10 week period would need to be allowed to amend the machine software, which could not be commenced until the conclusion of the TRO process.

The options highlighted in bold, 1,2,3 and 9 were initially the main options that the group wished to consider.

5.37 The group considered the following questions when finalising their conclusions and recommendations:

- What do they want to achieve?
- Who is the parking for?

5.38 The group agreed that the priority for parking should be visitors to the high street with the aim of encouraging “visitor” churn. Members agreed that they want the car parks used to their full potential by visitors and that they want to ensure that parking spaces are available. The group considered various options including those listed at 5.36. Option 9 was seen as the best option, but the group felt the nominal rate should be slightly higher at 40p. Therefore, it was agreed that the scrutiny committees should be given two options:

Option 1

One hour at 40p then additional hours set at the standard rate, as below:

Short Stay1 Hour	2 Hours	3 Hours	4 Hours	All Day	Week	Quarter	Year
40p	£1.00	£1.40	£2.20	£3.70	N/A	N/A	N/A

Long Stay

1 Hour	2 Hours	3 Hours	4 Hours	All Day	Week	Quarter	Year
40p	90p	£1.10	£1.40	£2.20	£10.00	£105	£385

Option 2

Two hours at 40p then additional hours at the standard rate, as below:

Short Stay

1 Hour	2 Hours	3 Hours	4 Hours	All Day	Week	Quarter	Year
40p	40p	£1.40	£2.20	£3.70	N/A	N/A	N/A

Long Stay

1 Hour	2 Hours	3 Hours	4 Hours	All Day	Week	Quarter	Year
40p	40p	£1.10	£1.40	£2.20	£10.00	£105	£385

5.39 The group considered how to find a balance of offering an initial low rate to encourage visitors, but also ensure that spaces are available throughout the day. The group do not want to curtail the amount of time that visitors stay in the town centres, and some felt that just offering a one hour tariff reduction may cause that to happen. It was agreed that it is difficult to predict the impact of these changes and how they may change shopping habits, therefore the group would like an update report on the impact to be presented to the scrutiny committees after they have been in place for 12 months, if the recommendations are supported by Scrutiny and agreed by Cabinet.

5.40 The financial impact of these changes is outlined in section 8, but these are estimated based on previous income received. The group were also advised that the changes to ticket machines to update the hourly rates would take between 8 to 10 weeks. Therefore, Members suggested that Cabinet be asked to extend the suspension of free parking until the updates can be done and given the potential overlap with the Christmas period that any re-introduction of charges commences in January 2023.

5.42 Conclusion

The task and finish group have reviewed the previous task and finish group reports on CCBC car parks and the findings of research on the topic. The group also carried out a public survey to gather information on car parking and gain an understanding why people visit town centres. The group also considered how best to engage with town centre businesses and added additional question to a business survey. This all showed that parking strategies are complex and people's motivations to visits town centres are driven by a range of factors including retail offering and availability of spaces, the cost is not the main issue.

- 5.43 The public survey illustrated the reasons why people visit the town centres in the county borough and the highest number of responses stated that convenience was the reason with lower parking charges the 6th highest reason. When asked for the purpose of their visit non-food shopping and Food shopping ranked highest. However, when asked to rate the importance of aspects of the car parking offer, a significant proportion rated the price of the parking ticket as very important, closely followed by the availability of spaces. A number of narrative responses were also received with people commenting that since parking were suspended that in some car parks are full all day with no spaces available. There was support for free parking with comments that charging drives people away from town centres and also comments suggesting limited free parking as the solution or a reduced rate for one or two hours.
- 5.44 Overall the group agreed that the recommendation should address the issues of availability of parking spaces but also offer an incentive to visitors to use our town centres and therefore would like to see a low initial parking tariff.

6. ASSUMPTIONS

- 6.1 The assumption is that by offering a lower tariff for 1 or 2 hours it will encourage people to visit the town centres and will also ensure that spaces are available.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 The Integrated Impact assessment identified positive outcomes if the recommendations in this report are approved. The proposed lower initial charge aims to encourage visitors whilst also ensure availability of spaces. This lower charge will mean the initial hourly charge is reduced by either 30p or 50p dependent on which option is supported.

The link to the full Integrated Impact Assessment is here:

[Link to Integrated Impact Assessment](#)

8. FINANCIAL IMPLICATIONS

- 8.1 Option 1 – An annual income loss of £83k
- 8.2 Option 2 – An annual income loss of £232k

- 8.3 In either case the loss of income will result in a reduction in budget available within the highways service which is used to fund various highway maintenance elements.

9. PERSONNEL IMPLICATIONS

- 9.1 None

10. CONSULTATIONS

- 10.1 The joint meeting of the Environment and Sustainability and the Housing and Regeneration Scrutiny Committees held on the 28th July 2022 considered the findings of the Caerphilly County Borough Council Car Parks joint task and finish group.
- 10.2 The scrutiny committee members sought clarification on the income and costs outlined at 5.8 and it was confirmed that the estimated potential income loss is based on these figures, but it is difficult to give more than an estimate as parking habits may change with the proposed changes to the initial hourly charges.
- 10.3 Members noted that although there is surplus income it is used to maintain the car parks and there is significant maintenance needed over the next few years.
- 10.4 The scrutiny committee agreed that more people are returning to towns and some car parks are experiencing issues with spaces being full all day with visitors unable to find spaces, therefore churn of spaces needs to be encouraged.
- 10.5 There were some comments that free parking has been of great benefit to the town centres and questioned whether this should be offered to workers and businesses in the less used car parks outside the centre of towns.
- 10.6 Concerns were expressed that the re-introduction of charging will have an impact on nearby residential streets and this will increase the workload of parking enforcement officers and questioned whether additional resource would be needed. Members were advised that parking enforcement was relatively new before charges were suspended, it would therefore be advisable to monitor the impact and report on the impact on the enforcement officer's workloads after 12 months.
- 10.7 Members sought clarification on whether disabled persons, with blue badges have additional time beyond the hourly rate. The committee were advised that this has previously been approved and disabled badge holders have an additional hour parking available beyond the time they have paid for.
- 10.8 The scrutiny committee queried if the parking ticket machines are now able to take credit/debit cards, Members were assured that the machines already have this capacity and that is why the 8-10 week period is needed to change and test them.
- 10.9 Members discussed the 8-10 week commissioning period and were advised that feedback from cabinet members was that they would like to see the re-introduction of charges delayed until January 2023, the scrutiny committee were supportive of this to be built into the recommendations.

10.10 The scrutiny committee considered the two charging options proposed by the task and finish group:

Option 1 - First hour 40p with subsequent hours at the existing tariff. or

Option 2 - First 2 hours 40p with subsequent hours at the existing tariff.

Option 1 was moved and seconded and approved by the majority present.

10.11 The scrutiny committee therefore agreed to support option 1 (recommendation 3.1) and to recommend that additional funding is provided to the highways service to meet the projected income shortfall of £83k (recommendation 3.3).

11. STATUTORY POWER

11.1 Section 21 of the Local Government Act 2000.

Author: Cath Forbes-Thompson Scrutiny Manager; forbecl@caerphilly.gov.uk

Consultees: Caerphilly County Borough Car Park Task and Finish Group
Councillor Tudor Davies Chair Environment & Sustainability Scrutiny Committee
Councillor Adrian Hussey Vice Chair Environment & Sustainability Scrutiny Committee
Councillor Andrew Whitcombe Chair Housing and Regeneration Scrutiny Committee
Councillor Pat Cook Vice Chair Housing and Regeneration Scrutiny Committee
Councillor Julian Simmonds, Cabinet Member for Highways & Transportation
Councillor James Pritchard Deputy Leader and Cabinet Member for Prosperity, Regeneration and Climate Change
Mark S. Williams Corporate Director Economy and Environment
Marcus Lloyd, Head of Infrastructure
Clive Campbell, Transportation Engineering Manager
Dean Smith, Principal Engineer – Traffic Management
Paul Hudson, Business Enterprise Renewal Team Leader
Rob Tranter, Head of Legal and Monitoring Officer
Steve Harris, Head of Financial Services and Section 151 Officer

Background Papers:

[Caerphilly County Borough Council Car Parks Task and Finish Group.pdf](#)

[Update on the Task and Finish Group Review of the Operation and Management of Highway Owned Council .pdf](#)

Appendices:

Appendix 1 Town Centre Footfall

Town Centre Footfall**Before Pandemic 2018 – 2020**

Month/Year	Bargoed	Blackwood	Caerphilly	Newbridge	Risca	Ystrad Mynach
Apr 2018	44681	134320	106805	30164	33076	60678
Aug 2018	49924	149020	115388	33371	35324	52810
Dec 2018	37609	182377	109144	52969	32240	53904
Apr 2019	46500	130453	98607	65901	32207	57738
Aug 2019	50912	139405	106797	67330	32712	48571
Dec 2019	40696	153988	107411	53069	30987	52447

Since Pandemic 2020-2021

Month/Year	Bargoed	Blackwood	Caerphilly	Newbridge	Risca	Ystrad Mynach
Apr 2020	13943	29810	32449	21481	16947	23838
Aug 2020	35040	82943	81645	26866	22561	37169
Jan 2021	19051	49114	39087	15752	17069	26127
Feb 2021	18809	56889	40277	16977	16999	27179
March 2021	26676	69493	50377	24075	22916	37625
April 2021	30231	81031	64996	26899	24248	44678
May 2021	25864	64826	57202	23974	20150	36043
June 2021	35812	91476	81816	30009	25782	47793
July 2021	37148	94795	84269	29594	25501	46881
August 2021	45226	118457	103191	33436	26100	57875
Sept 2021	45528	120160	98794	36532	28063	62979
Oct 2021	36507	108834	76085	31702	21346	45556

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CABINET – 26TH SEPTEMBER 2022

SUBJECT: CAERPHILLY COUNTY BOROUGH COUNCIL - RESPONSE TO THE COST-OF-LIVING CRISIS

REPORT BY: CORPORATE DIRECTOR FOR SOCIAL SERVICES AND HOUSING

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1. PURPOSE OF REPORT

- 1.1 To agree the initial response from Caerphilly County Borough Council to assisting our communities and some of our most vulnerable citizens in terms of the current cost of living crisis, a crisis that is likely to worsen through the winter months, as utility bills soar and general inflation will move towards 20%.
- 1.2 The concept of the Council assisting residents in financial difficulty is not new. This report will provide an update on current work being undertaken to date and will illustrate the range and extent of the support currently being provided.
- 1.3 To agree the provision of a Caerphilly CBC Cost Of Living Hardship Fund to fund a range of responses that will bring some relief to those people in our communities who are likely to be in greatest need.
- 1.4 To provide a brief update on the Welsh Government (WG) Cost of Living Support Scheme, and to seek approval for an amendment to the discretionary element of the Scheme previously approved by Cabinet.
- 1.5 To agree a scheme of delegation to allow support to be provided quickly where it is deemed assistance is needed and council resources can provide some relief to the difficulty being experienced.

2. SUMMARY

- 2.1 Inflation within the United Kingdom is at the highest level for over 30 years and is projected to reach 20% as we enter 2023. Energy prices are rising at the fastest rate in living memory, with the average household likely to spend over £1000 on energy bills between now and the end of the year. Media coverage with regard to increases in utility bills has been extensive and has prompted some action from national Government. Despite promises to limit the rise in the energy cap there is no doubt that many people will be unable to find the money for these increases and will face some hugely difficult choices when trying to care for themselves and their families as the winter progresses.

- 2.2 At the same time as the cost of living is rising exponentially, in real terms earnings are falling, interest rates are rising, and the Bank of England has forecast the country will enter a recession by the end of this year.
- 2.3 At times of crisis we know that people will turn to the Local Authority for advice and assistance. Consequently, we are likely to be faced with challenges that will require a similar response to that provided during the pandemic. The need to prioritise and resource our response is required, as are strong networks, effective communication, and collaboration across services, as well as the coordination of all the support offered to our residents.
- 2.4 The need to continue to deal with the longer-term impact of the crisis, alongside driving forward any plans for longer-term transformational change and budgetary pressures, will require difficult choices to be made. It is clear that the rise in the cost of living is not a momentary challenge but unfortunately will be with us for some time to come.

3. RECOMMENDATIONS

- 3.1 For Cabinet to: -
- 3.1.1 Approve an amendment to the previously approved discretionary element of the WG Cost of Living Support Scheme which will allow Post Office vouchers to be issued to those households that have not registered for payments under the Main Scheme.
- 3.1.2 Note the recommendation in the 2021/22 Provisional Revenue Budget Outturn Report to set aside one-off funding of £3m from surplus General Fund balances to create a Cost of Living Hardship Fund to support a range of initiatives that will assist our communities.
- 3.1.3 Agree that decisions with regard to the use of to the Cost of Living Hardship Fund are delegated to the Corporate Director for Social Services & Housing in conjunction with the Leader of the Council and the Cabinet Member for Education and Communities.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 The current cost of living crisis will provide an unprecedented financial challenge to many of our citizens within the County Borough. The creation of a Caerphilly CBC Cost Of Living Hardship Fund will allow the Council to undertake a series of initiatives aimed at providing some relief to those in need.
- 4.2 To ensure that those households who have not registered for the £150 payment through the WG Cost of Living Support Main Scheme will receive a voucher that can be cashed at Post Offices.
- 4.3 The need to be able to make decisions and deploy resources quickly will be key in responding to the challenges likely to be faced, the delegation process referred to in paragraph 3.1.3 will assist in this area.

5. THE REPORT

5.1 Current Key Support

Helping people in financial difficulty is not new to the local authority, but we also need to recognise the wider social and health impacts of the crisis. Current key support includes:

5.1.1 **Caerphilly Cares**

- Development of a 'landing page' on Caerphilly CBC's website
- 22 Cost of Living sessions organised throughout September to raise awareness of the landing page and support already available to residents (both from CCBC and other partnership organisations). These will continue through the autumn and winter.
- Calls taken and assistance given in the processing of Winter Fuel, Unpaid Carers, Pupil Development, Isolation grants and the Council Tax reduction scheme.
- Directly supported 4000 residents, of which 2646 were self-referrals: residents are becoming more aware of the service and the level of support offered.
- Support and development of Foodbank/Fare Share and wider food insecurity initiatives.
- Development of healthy cooking on a budget session supported by Catering.
- Private sponsorship secured from Morrisons & Screwfix to support food poverty.
- Over 400 Foodbank/Fare Share referrals made.
- 45 community led organisations supported to access to food poverty funding. £158,000 awarded to date.
- Referral processes established across the Council.
- Period Dignity Working Group.
- Buddy/Befriending Service – volunteer led support for isolated/vulnerable adults. £130,000 of WG/WCVA funding secured to help develop the Corporate Volunteering Scheme.
- 37 community led organisations and groups supported to access Community Development/Isolation funding. £35,000 awarded to date.
- Training front line staff on 'What Matters' conversation and appropriate signposting for cost-of-living support.

5.1.2 **Housing Rents**

- Purchase of fuel vouchers for pre-payment top up for residents in fuel poverty.
- Creation of a crisis fund for residents who require financial support but do not meet eligibility criteria of existing schemes.
- £3.2m additional income generated for residents during 21/22 financial year.
- 800 successful applications for discretionary housing payments.
- Energy advice to 249 tenants.
- 350 referrals to CAB for debt and money advice.
- Supported 1000 residents to apply for the £200 Winter fuel grant from the Welsh government.
- 300 food parcels arranged.

5.1.3 **Supporting People**

- Housing Support for all people over 16 who live in the borough.
- Homelessness Prevention.
- Financial Capability assessments for all people.
- Support for those sleeping rough, roofless, and homeless/sofa surfing.

5.1.4 **Council Tax**

- Payment of £150 to qualifying households occupying properties in Council Tax Bands A to D, and all households in receipt of support through the Council Tax Reduction Scheme (regardless of property valuation Band).
- Payment of £100 to all eligible households in Council Tax Bands E and F not in receipt of support through the CTRS.

- Payment of £150 to occupied and some unoccupied households covered by a statutory council tax exemption.
- Payment of £150 to around 330 households in Houses of Multiple Occupation (HMOs).
- Circa £15.5m is being awarded to households in the current financial year through the Council Tax Reduction Scheme.

5.1.5 Catering Services

- 2,124,030 meals delivered & 7,298 children receiving meals.
- Universal Free school meals from September.
- Free breakfast to year 7 in secondary schools.
- Free breakfast clubs to primary aged children.

5.1.6 Housing Benefits

- Winter Fuel Payments – 11,211 households paid in 2021/22 totalling £2,242,200. Details of the 2022/23 Scheme have now been received from WG and preparations are under way to pay eligible households.
- Unpaid Carers Support Grant - 2,900 individuals paid totalling £1,450,000.
- Discretionary Housing Payments - part funded by the Discretionary Scheme.

5.1.7 Education

- Pupil Development Access Grant - 6,072 payments made totalling £1,409,025.

5.2 Work undertaken as the crisis has emerged has included changing the focus of Caerphilly Cares from pandemic response to supporting people already impacted by the increased cost of living with an emphasis on different conversations and prevention. Additional resources now in place include:

- Movement of Community Connectors from Social Services to Caerphilly Cares
- Appointment of Cost of Living Co-ordinator
- Production of “landing page” linked to CCBC website – live 05/09/22
- Delivery of Cost-of-Living Support Sessions in 22 locations throughout September
- Cost of Living specific Newslines to be delivered to every household in the Borough and supplemented with additional articles online and in the media.

5.3 Clearly most of the services/responses referred to above will continue where funding allows, but there is a significant reliance on grant funding for some of the schemes. However, given the enormity of the challenge, even the above measures will not be enough to fully mitigate the impact of the rising cost of energy, fuel at the pump and food in the supermarkets.

5.4 The emphasis on support moving forward is striking the right balance between prevention and crisis support and doing the former based on data – reaching people before they get to or even near crisis point. Developing a response focussed on supporting individuals with immediate emergency and welfare support as well as building resilience within communities themselves. Taking a social justice and asset-based community development approach, using learning from our response to COVID-19.

5.5 Moving into the forthcoming winter, demands on local councils are going to increase and to that end we have engaged with our staff with a view to understand the current pressures emerging and how we can best respond to these issues. In constructing the

responses that may be required the Council will adhere to a series of Strategic Principles and will use its resources to;

- Enhance and expand community support groups already in existence and not replicate their role and function.
- Prioritise prevention.
- Remove the duplication and complexity caused by our different structures.
- Streamline application and join things up.
- Aspire to develop "customer intelligence" which provides a more in depth picture of our citizens and allows us to be proactive in identifying individuals who are getting into difficulty.

5.6 Further proposals for Targeted Support

5.6.1 Staff have already started working on a series of initiatives that could assist people through the crisis. These have been taken from the list of suggestions submitted by staff and Councillors as well as some examples from initiatives from across the UK.

Among the proposals currently being considered are;

- Increasing the number and range of food banks in the County borough – also development of community fridges and larders
- Possibility of toy banks / food parcels in readiness for Christmas.
- School Uniform and Sports Kit grants.
- Donation schemes for pre worn school uniforms.
- Increased budget to expand existing financial support e.g., fuel vouchers, crisis grants.
- Stopgap funding to support during first 6 weeks of Universal Credit claim – ongoing discussions with DWP
- Re-use/Recycling hub – soft launch took place 06/09/22
- Basic welfare benefit and cost of living support training for all frontline CCBC staff – currently in development via Caerphilly Cares/Rents team.
- Greater use of leisure centres via expansion of free/low-cost swim sessions and reduced costs for gym and other sessions – to include access to hot showers and use of centres for further social activities such as cinema clubs. Discussions ongoing to develop this.
- "Cash first" approaches to hardship payments – e.g., using Post Office Payment (POP).
- Local authority partnerships with local food suppliers to provide discounted hot meals & drinks – currently being explored by Caerphilly Cares team.
- Household food and cooking initiatives – provision of slow cookers, microwaves, "kettle food packs" currently in development via Caerphilly Cares team.

5.6.2 **Fuel & Energy Support:**

- Warm the human not the home initiative - provide warm packs: thick curtains, draft excluders, warm clothing etc, including the establishment of donation boxes on a similar line to those used by food banks.
- FREE impartial advice to help identify the best energy saving solutions for homes
- Campaigns on actual energy costs and how to save energy
- Energy saving schemes – initiatives at both large scale (e.g., collective buying schemes for solar panels) and small scale (e.g., provision of free low energy light bulbs, draught excluders)
- Cost of Living and Energy "Champions"

5.6.3 **Food Poverty**

- School meal support for Secondary pupils
- Food to Fork schemes – encouraging use of open spaces for food production

5.6.4 **Community Support**

- Production of “budgeting books” identifying and highlighting shops where there are special offers - could also include low-cost recipes and advice on bulk cooking / storage of food.
- Expansion of support via libraries (e.g., reduction in fines, access to free printing/photocopying, donation of surplus stock)
- Access to reduced costs for sports pitches – enabling families to keep children in sports clubs through reduced subscription fees
- Discounted access to CCBC tourist attractions
- Opening council-owned facilities (such as school kitchens) to provide hot meals for families in the evenings
- Cost of Living checklist/toolkits for frontline staff

5.6.5 **Direct Financial Assistance:**

- Top up payments of any Welsh Government “hardship grants” whether to individuals or businesses.
- Additional salary top-up payments for staff on lowest pay grades
- Consideration of current CCBC debt collection procedures – to include enhanced support offer
- Expansion of debt advice services (e.g., via Citizens’ Advice Bureau)
- Discounted bus/train passes
- Reduced public transport costs (“Tap and Cap” schemes)

Flexible rent schemes – enabling flexible payment plans for tenants who also agree to engage with additional support via a financial plan.

5.7 **Getting Ready for Winter Campaign**

A borough-wide communications campaign focused on supporting everyone to be as prepared for increasing winter pressures as possible, with a focus on signposting residents to the range of self-help resources already available around welfare, housing, finances, and wellbeing. The campaign will also focus on equipping frontline staff to appropriately signpost people to support.

5.8 **Community Hubs**

Expedite the development of community hubs and enable local people to be involved in coordinating the local response to the cost-of-living crisis, with a focus on promoting community activities, organising social action responses, and signposting people to local support. Integrating financial and wellbeing workforce into the hub model.

5.9 **Cost of Living Volunteers**

The Council and partners working together to develop a cost-of-living volunteer role, to build and relieve capacity within the advice sector. Volunteers can be recruited through the volunteering team and receive training and guidance on supporting residents. Volunteers will then be based in community hubs as a means of light-touch support.

5.10 Welcoming Spaces

A network of Welcoming Spaces – physical venues spread across the borough where people will be able to access warmth, social connection and community interaction. Existing community spaces could be invited to be badged under the initiative and promoted via the Landing Page and communication channels. The coordination of Welcoming Spaces will be interlinked with Community Hubs, the latter being encouraged to open a physical Welcoming Space. To avoid stigmatisation, spaces could be framed as inclusive community spaces rather than emergency support offers.

5.11 Findings from the Cost of Living Support Sessions

As referred to in paragraph 5.1.1 staff have already commenced a series of cost of living support sessions. 22 are initially planned at various locations across the county borough with further sessions to be arranged as the months progress.

In the first week, over 60 referrals forms were completed, all of which will be dealt with directly by the Caerphilly Cares Team to ensure residents are appropriately supported.

Main issues raised by residents include:

- Fuel & food poverty
- Benefits eligibility
- Understanding of what support is available and how to access it
- Various Housing issues
- Council Tax/Housing Arrears

5.12 Update on WG Cost of Living Support Scheme

5.12.1 At its meeting on 13 April 2022 Cabinet was presented with details of the WG Cost of Living Support Scheme, which consisted of a package of measures to help people with support towards the cost of living. The package includes £152m across Wales to provide a £150 cost-of-living payment to eligible households (the Main Scheme) and £25m to provide discretionary support for other purposes related to living costs (the Discretionary Scheme). Caerphilly CBC's share of the funding is £10.15m for the Main Scheme and £1.67m for the Discretionary Scheme.

5.12.2 The Discretionary Scheme funding can be used by each local authority to support other households it considers to be in need of assistance with their living costs. Each local authority has determined its use of discretionary support as it deems appropriate to address local needs, with Caerphilly CBC's Discretionary Scheme being approved by Cabinet on 13 April 2022.

5.12.3 Under the Main Scheme all eligible households receive a payment of £150, with those who pay their Council Tax by direct debit having the payment credited to their bank accounts. Eligible households who do not pay their Council Tax by direct debit have been required to register for the payment to ensure that bank details can be captured for payments to be made.

5.12.4 To date, 62,934 households have been paid under the Main Scheme totalling £9.44m. The closing date for registrations under the Main Scheme is 30 September 2022. However, despite the issuing of 2 reminder letters there are still 3,493 eligible households that have not applied. Staff have been working with the Post Office in recent weeks to implement a service whereby the remaining eligible households can be issued with a unique voucher that can be cashed at Post Offices.

5.12.5 The Post Office service will not be implemented by the end of September but following discussions with colleagues at the WLGA and WG it has been agreed that subject to Cabinet agreement the outstanding registrations can be picked up as part of the Discretionary Scheme (which has an end date of 31 March 2023). Cabinet is therefore asked to agree an amendment to the previously approved Discretionary Scheme to allow Post Office vouchers to be issued to those households that have not registered for the payments. It is understood that a number of other Local Authorities have endorsed a similar approach.

5.13 **Moving Forward**

The ability to act quickly and respond to need is as essential in relation to the cost of living crisis as it was during the pandemic.

We will need to undertake a cost-of-living impact assessment to evidence the disproportionate impact that rising costs will have on equalities groups and people already in poverty. The assessment would include a cost-of-living risk index by ward to estimate the risk in different areas of the borough. This mirrors the methodology of the Centre for Progressive Policy.

A key priority is to ensure that residents get a holistic range of support to meet their immediate financial needs, avoid falling deeper into crisis, and build longer term resilience. To streamline the process of finding and applying for support and ensure that residents receive the right support at the right time.

We need to develop a comprehensive grant application to move away from the 'sticking plaster' approach of short-term support. When residents apply for funds, they are also offered tailored support that may help them improve their longer-term circumstances, such as debt advice or employment support. This will need to recognise that people may need extra support such as with digital, numeracy or literacy, or they may have a lack of confidence to complete the form independently or be unable to access the documents. Applicants should be able to request support to complete the application and follow up emails and phone calls made to check if further support is required after initial application. On-going support sessions in communities through the autumn and winter, to ensure we reach as many people as possible, are also required.

Research also needs to be undertaken to determine whether the proposals are existing initiatives that can be promoted or expanded upon, or new schemes for consideration that will need to be assessed for viability and deliverability. In addition to this the development and delivery of any scheme will require staff resource as well as financial resources to implement. Community and resident engagement also takes time to plan and staff to support.

Using the Making Every Contact Count (MECC) approach. This allows people to signpost support in areas they may not feel confident in. Equipping all front-line staff with the skills to have different conversations with basic knowledge of where to sign post for support is also key. Recognising that support for our residents through the crisis is the responsibility of all of us. As such, discussions have already started with leisure, libraries, and housing to roll out the 'what matters' training, as well as basic benefits advice and signposting for support, equipping staff with the skills and knowledge to help.

This report outlines a range of potential responses to the cost of living crisis, but implementation will require additional investment to be identified. The 2021/22 Provisional Revenue Budget Outturn Report therefore recommends to Cabinet that £3m one-off funding is set aside from surplus General Fund balances to create a Cost of Living Hardship Fund to support a range of initiatives that will assist our communities.

Conclusion

The cost-of-living crisis will place significant demands on the authority. Whereas we already know some of the areas of difficulty people are likely to experience, the fact that we have no idea of the duration of the crisis, or its severity means we will need constant dialogue with citizens through a number of channels.

Training our staff and increasing their awareness of cost-of-living issues is key as is an ongoing presence in the community whether through the cost of living support sessions or attending community events.

The authority will need to be very “fleet of foot” in responding to issues that are likely to emerge with very short notice.

6. ASSUMPTIONS

- 6.1 Every person in the county borough will be affected in some way or another. The negative impacts of the rise in the cost of living are on a par with the pandemic and consequently, require a pandemic level of response.

This highlights the need to take an in depth look on how we intend to support our communities moving forward, to respond to the anticipated growing demand for support.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 [Link To Integrated Impact Assessment.](#)

8. FINANCIAL IMPLICATIONS

- 8.1 The 2021/22 Provisional Revenue Budget Outturn Report recommends to Cabinet that £3m one-off funding is set aside from surplus General Fund balances to support a range of initiatives that will assist our communities.
- 8.2 To date, 62,934 households have been paid under the Main Scheme of the WG Cost of Living Crisis Support Scheme. However, there are still 3,493 eligible households that have not registered for payment under the Main Scheme which closes on 30 September 2022. Colleagues at the WLGA and WG have advised that subject to Cabinet agreement the outstanding registrations can be picked up as part of the Discretionary Scheme (which has an end date of 31 March 2023). If this is approved by Cabinet, there will be no financial implications for the Council as the cost will be covered by the overall WG Cost of Living Support Scheme grant funding.

9. PERSONNEL IMPLICATIONS

- 9.1 For the Council to respond to growing demand staff support will be required. This may require additional staff or the redeployment of existing staff to support this agenda.

10. CONSULTATIONS

- 10.1 Due to time constraints in relation to the content of the report, consultation responses will be fed-back verbally at Cabinet.

11. STATUTORY POWER

11.1 The Local Government and Elections Act 2021 and Local Government Act 2000.

Author: Dave Street - Corporate Director Social Services & Housing

Consultees: Cllr. C. Andrews, Cabinet Member for Education & Communities
Cllr. S. Morgan, Leader of Council
Christina Harray, Chief Executive
Richard Edmunds, Corporate Director of Education & Corporate Services
Mark Williams, Corporate Director of Economy & Environment
Robert Tranter, Head of Legal Services & Monitoring Officer
Stephen Harris, Head of Financial Services & S151 Officer
Tina McMahon, Community Regeneration Manager



CABINET – 26TH SEPTEMBER 2022

SUBJECT: UK GOVERNMENT SHARED PROSPERITY FUND – CAERPHILLY LOCAL INVESTMENT PLAN

REPORT BY: CORPORATE DIRECTOR FOR ECONOMY AND ENVIRONMENT

1. PURPOSE OF REPORT

- 1.1 To update Cabinet on the submission by Rhondda Cynon Taf (RCT) of the Cardiff Capital Region Investment Plan to the UK Government Shared Prosperity Fund as part of the UK Government's Levelling Up programme.
- 1.2 To seek endorsement for the Caerphilly Local Investment Plan comprising an overview of the Caerphilly Specific Proposed SPF interventions attached as Appendices 2 and 3.

2. SUMMARY

- 2.1 The UK Shared Prosperity Fund (UKSPF) is a central pillar of the UK government's ambitious Levelling Up agenda and a significant component of its support for places across the UK. It provides £2.6 billion of new funding for local investment by March 2025, with all areas of the UK receiving an allocation from the Fund via a funding formula rather than a competition.
- 2.2 The UKSPF will support the UK government's wider commitment to level up all parts of the UK by delivering on each of the levelling up objectives to:
 - Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging
 - Spread opportunities and improve public services, especially in those places where they are weakest
 - Restore a sense of community, local pride and belonging, especially in those places where they have been lost
 - Empower local leaders and communities, especially in those places lacking local agency

The primary goal of the UKSPF is to build pride in place and increase life chances across the UK.

- 2.3 Underneath the overarching aim of building pride in place and increasing life chances, there are three UKSPF investment priorities: communities and place; supporting local business; and people and skills. The SPF aligns and compliments the Levelling Up Fund and the proposals considered under a separate Cabinet report.
- 2.4 All places in the UK will receive a conditional allocation from the UKSPF. Caerphilly County Borough has a conditional allocation of £28,272,298, and an allocation of £5,901,499 for *Multiply (*UK Gov Adult numeracy programme) up to March 2025
- 2.5 The 10 LAs in the CCR have a combined conditional allocation of £230,432,572 and £48,100,003 for *Multiply.
- 2.6 Cabinet will recall that local authorities within the Cardiff Capital Region (CCR) have been invited to collaborate and feed into one regional investment plan for the CCR and that on the 29th of June 2022 Cabinet agreed that Rhondda Cynon Taf CBC should assume the role of the 'Lead Local Authority'.
- 2.7 The regional investment plan has been prepared by RCT with input by all 10 local authorities and was formally submitted to UK Government on 1 August 2022. The anticipated date for the first investment plans to be approved and payment awarded to Lead Local Authorities by UK Government thereafter is October 2022 onward.
- 2.8 The development of the Investment Plan is the beginning of the Shared Prosperity Fund process. In the period between submission and approval the lead authority will continue to work with local authorities to provide further detail on how the fund will be administered in the Cardiff Capital Region. During this period, officers will continue to work with local partners to develop the delivery phase of the Shared Prosperity Fund.
- 2.9 The fund can support investment in interventions that start from 1 April 2022 where they fit with the intervention toolkit. Any such interventions will be at risk prior to approval by UK Government of the CCR Investment Plan. In this regard spending "at risk" for the period up until the UK Government funding announcement was agreed by Cabinet on 29 June 2022. (For ease of reference the Cabinet Resolution in respect of the SPF Report of the 29 June 2022 is shown at Appendix 1)

3. RECOMMENDATIONS

- 3.1 That Cabinet:
- (i) Consider the detail of the UK Shared Prosperity Fund and the opportunities for the Funds to contribute significantly to the Council's own Place Shaping, Community resilience, Transformation and Regeneration agendas.
 - (ii) To note that the CCR Investment Plan has been submitted to UK Government for consideration by RCT.
 - (iii) Consider and endorse the Caerphilly Local Investment Plan comprising an overview of the Caerphilly Specific Proposed SPF interventions attached at Appendices 2 and 3.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that the Council is fully prepared to maximise funding opportunities from the Shared Prosperity Fund for the benefits of its citizens and communities.
- 4.2 To ensure Cabinet are aware of the submission of the CCR Investment Plan by RCT to UK Government for the region.
- 4.3 To ensure Cabinet endorse the Caerphilly Local Investment Plan which comprises an overview of the Caerphilly specific proposed SPF interventions attached at Appendix 2 & 3 and recognise the diverse range of interventions to be supported.

5. THE REPORT

- 5.1 The UK Shared Prosperity Fund (UKSPF) is a central pillar of the UK government's ambitious Levelling Up agenda and a significant component of its support for places across the UK. It provides £2.6 billion of new funding for local investment by March 2025, with all areas of the UK receiving an allocation from the Fund via a funding formula rather than a competition.
- 5.2 The UKSPF will support the UK government's wider commitment to level up all parts of the UK by delivering on each of the levelling up objectives to:
 - Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging.
 - Spread opportunities and improve public services, especially in those places where they are weakest.
 - Restore a sense of community, local pride and belonging, especially in those places where they have been lost.
 - Empower local leaders and communities, especially in those places lacking local agency.

The primary goal of the UKSPF is to build pride in place and increase life chances across the UK. It aligns with the Levelling Up fund proposals considered under a separate report to Cabinet.

- 5.3 Underneath the overarching aim of building pride in place and increasing life chances, there are three UKSPF investment priorities: communities and place; supporting local business; and people and skills.
 - The **communities and place** investment priority will enable places to invest to restore their community spaces and relationships and create the foundations for economic development at the neighbourhood-level. The intention of this is to strengthen the social fabric of communities, supporting in building pride in place.
 - The **supporting local business** investment priority will enable places to fund interventions that support local businesses to thrive, innovate and grow.
 - The **people and skills** investment priority can provide funding to help reduce the barriers some people face to employment and support them to move towards

employment and education. This theme can also target funding into skills for local areas to support employment and local growth.

- 5.4 Within the context of the Fund’s aims, each place will have the flexibility to invest across a range of activities that represent the right solutions to improve local pride in place, increase life chances, to help spread and create opportunity, and a sense of community and belonging. The balance of priorities should reflect local need and opportunity. This flexible approach represents a key shift from the previous EU system.
- 5.5 All places in the UK will receive a conditional allocation from the UKSPF. Caerphilly County Borough has a conditional allocation of £28,272,298, and an allocation of £5,901,499 for *Multiply (*UK Gov Adult numeracy programme programme).
- 5.6 Table 1 provides the Caerphilly County Borough allocations up to March 2025. It is important to note that any funding not utilised in year cannot be carried forward and will be lost. In this context, local authorities can spend at risk from 1 April 2022 for 2022-23. Mechanisms are also being explored to ensure that all funding is maintained within the CCR each year through the development of a legal agreement between the Lead Authority and UK Government and via back-to-back legal agreements with RCT and the 9 Local Authorities in the CCR.

Total SR (UKSPF core)	22-23 (UKSPF core)	23-24 (UKSPF core)	24-25(UKSPF core)
£28,272,298	£3,431,104	£6,862,208	£17,978,985
Total SR (Multiply)	22-23 (Multiply)	23-24 (Multiply)	24-25 (Multiply)
£5,901,499	£1,784,174	£2,058,662	£2,058,662

Table 1: Caerphilly CBC Shared Prosperity Fund and Multiply allocation.

- 5.7 The 10 LAs in the CCR have a combined conditional allocation of £230,432,572 and £48,100,003 for *Multiply.
- 5.8 In order to access UKSPF funding, RCT as the lead local authority for the CCR have prepared a regional investment plan, setting out how they intend to use and deliver the funding over the 3-year period. This regional investment plan has been prepared by RCT with input by all 10 local authorities and it was formally submitted to UK Government on 1 August 2022. The anticipated date for the first investment plans to be approved and payment awarded to Lead Local Authorities by UK Government thereafter is October 2022 onward.
- 5.9 The development of the Investment Plan is the beginning of the Shared Prosperity Fund process. In the period between submission and approval the lead authority will continue to work with local authorities to provide further detail on how the fund will be administered in the Cardiff Capital Region. During this period, officers will continue to work with local partners to develop the delivery phase of the Shared Prosperity Fund.
- 5.10 Lead local authorities for each area will have flexibility over how they deliver the Fund. They may wish to use a mix of competitions for grant funding (which is the default approach set out in Cabinet Office Grants Standards), procurement,

commissioning or deliver some activity through in-house teams. For example, some community level interventions may require a commissioning or in-house approach, recognising that competitions for grant may create barriers to participation in left behind communities.

- 5.11 Notably, Caerphilly County Borough Council is not required to develop its own local investment plan for submission to UK Government. However, it is important that a local investment plan for the County Borough is prepared to provide clarity at the local level on the Caerphilly specific interventions, targets and outputs that the Council wants to achieve through the UKSPF. Each local authority in the CCR region has agreed to this approach and have prepared local investment plans
- 5.12 Given the extremely tight timescales involved in preparing the local investment plan, work has continued throughout the summer to develop the detailed local interventions in partnership with local stakeholders from both within and outside of the Council in preparation for the payment award from UK Government in October 2022. The Caerphilly Local Investment Plan comprising an overview of the Caerphilly specific proposed interventions is attached at Appendices 2 and 3. It will be necessary to review the targets and outputs as each of the interventions/projects progresses over the funding period.

Conclusion

- 5.13 The UK Shared Prosperity Fund (UKSPF) is a central pillar of the UK government's ambitious Levelling Up agenda and a significant component of its support for places across the UK. It provides £2.6 billion of new funding for local investment by March 2025. This funding provides a significant but challenging opportunity for the region.

6. ASSUMPTIONS

- 6.1 This report assumes that the CCR Investment Plan will be approved by UK Government by the end of October 2022.
- 6.2 Delivery of the programme is challenging with funding lost if not committed in accordance with the in-year allocations. A small project team has been identified within the funding envelope to ensure a sharp focus remains on delivery and outcomes.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 All projects will seek to improve the economic, social and cultural well-being of the community and leave a lasting positive impact. Proposals developed by CCBC & partners under this programme will prevent problems occurring or getting worse. The SPF will look to develop interventions and outputs that respond to local issues. This will:
- Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging.
 - Spread opportunities and improve public services, especially in those places where they are weakest.
 - Restore a sense of community, local pride and belonging, especially in those places where they have been lost.
 - Empower local leaders and communities, especially in those places lacking local agency.

[Link to Integrated Impact Assessment](#)

8. FINANCIAL IMPLICATIONS

- 8.1 All places in the UK will receive a conditional allocation from the UKSPF. Caerphilly County Borough has a conditional allocation of £28,272,298, and an allocation of £5,901,499 for *Multiply (*UK Gov Adult numeracy programme).
- 8.2 The 10 LAs in the CCR have a combined conditional allocation of £230,432,572 and £48,100,003 for *Multiply. Note: Up to 4% of the funding can be used for financing the administration of the fund. This 4% does not need to be spent wholly by the lead authority, a proportion of the administration budget can be allocated to individual authorities as appropriate. The proportion that will be allocated to individually local authorities has yet to be agreed with RCT.
- 8.3 The fund can support investment in interventions that start from 1 April 2022 where they fit with the intervention toolkit. Any such interventions will be at risk prior to approval by UK Government of the CCR Investment Plan. In this regard spending “at risk” for the period up until the UK Government funding announcement was agreed by cabinet on 29 June 2022.
- 8.4 The lead authority for the strategic geography i.e. RCT for CCR, will have overall accountability for the funding and how the fund operates.

9. PERSONNEL IMPLICATIONS

- 9.1 In Cardiff Capital Region, the overall UKSPF programme will be delivered by a Lead Local Authority (potentially RCT) and implemented, delivered and monitored at the local level by the individual local authorities. This is a significant change from previous EU funding programmes, which were managed and administered centrally by the Welsh European Funding Office.
- 9.2 There will be pressure on staff to deliver at a local level and it is proposed that a small team is established to manage and monitor the delivery of the programme at this level. The costs associated with these posts will be borne by the UK SPF allocation
- 9.3 This programme is significant and challenging in terms of delivery and will place additional pressure on a number of key service areas to provide the necessary staff support for the programme, in particular Regeneration & Finance.

10. CONSULTATIONS

- 10.1 All consultation responses are reflected in the report.

11. STATUTORY POWER

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

Author: Rhian Kyte, Head of Regeneration & Planning

Consultees: Cllr Sean Morgan, Leader of Council
Cllr J Pritchard, Deputy Leader and Cabinet Member for Prosperity,
Regeneration & Climate Change
Christina Harray, Chief Executive
Mark S. Williams, Corporate Director for Economy & Environment
Richard Edmunds, Corporate Director of Education and Corporate Services
Stephen Harris, Head of Financial Services & Section 151 Officer
Rhian Kyte, Head of Regeneration and Planning
Marcus Lloyd, Head of Infrastructure
Nick Taylor Williams, Head of Housing
Robert Tranter, Head of Legal Services/Monitoring Officer
Sue Richards, Head of Education Planning and Strategy
Lynne Donovan, Head of People Services
Rob Hartshorn, Head of Public Protection, Community and Leisure Services
Dave Roberts, Principal Group Accountant
Liz Lucas, Head of Customer & Digital Services
Allan Dallimore, Regeneration Services Manager
Anwen Cullinane, Senior Policy Officer, Equalities and Welsh Language

Appendix 1 Cabinet Resolution of 29 June 2022 in respect of the SPF.

Appendix 2 & 3: Caerphilly Local Investment Plan comprising an overview of the Caerphilly specific proposed SPF interventions.

CABINET – 29TH JUNE 2022

ITEM 6: UK GOVERNMENT SHARED PROSPERITY FUND

CABINET RESOLVED that for the reasons contained in the Officer's report:

- 1) The detail of the UK Shared Prosperity Fund and the opportunities for the Funds to contribute significantly to the Council's own Place Shaping, Transformation and Regeneration agendas be considered.
- 2) Rhondda Cynon Taff County Borough Council assume the role of the 'Lead Local Authority' for the UKSPF for the Cardiff Capital Region.
- 3) Rhondda Cynon Taff County Borough Council submit the CCR Investment Plan for consideration by UK Government prior to the closing date for submission of 1st August 2022.
- 4) Delegated powers be given to the Corporate Director for Economy and Environment in consultation with the Head of Legal Services and the Cabinet Member for Prosperity, Regeneration & Climate Change, to agree the legal agreements associated with the UKSPF with the Lead Local Authority namely Rhondda Cynon Taff County Borough Council on behalf of Caerphilly County Borough Council.
- 5) The 2022/23 budget be utilised at risk to deliver the interventions outlined in Appendix 1 in order to ensure that the fund for 2022/23 is fully expended.
- 6) The contracts of staff who are at threat of redundancy as a consequence of the cessation of Unanimously the European Social Fund in 2022/23 be extended up to March 2023. This will be at financial risk to the Council in the first instance and the contracts can be further extended once confirmation of SPF funding is received.
- 7) Any elements of 2022/23 at risk expenditure that are not subsequently approved for funding through the SPF be funded through the Council's Wellbeing and Place Shaping Framework Earmarked Reserve.
- 8) The appointment of a small project team using the administration/management fee, initially comprising of a lead project officer (Grade 10), finance officer (Grade 9) and 1 x support officer (Grade 9) to manage and administer the delivery of the SPF programme for Caerphilly CBC be agreed.
- 9) Further reports be presented to Cabinet detailing the funding proposals for future stages of the fund.

Shared Prosperity Fund: Caerphilly Local Investment Plan (September 2022)**Background**

The UK Shared Prosperity Fund (UKSPF) is a central pillar of the UK government's ambitious Levelling Up agenda and a significant component of its support for places across the UK. It provides £2.6 billion of new funding for local investment by March 2025, with all areas of the UK receiving an allocation from the Fund via a funding formula rather than a competition.

The UKSPF will support the UK government's wider commitment to level up all parts of the UK by delivering on each of the levelling up objectives to:

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

The primary goal of the UKSPF is to build pride in place and increase life chances across the UK.

Underneath the overarching aim of building pride in place and increasing life chances, there are three UKSPF investment priorities: communities and place; supporting local business; and people and skills. The SPF aligns and compliments the Levelling Up Fund and the proposals considered under a separate Cabinet report.

All places in the UK will receive a conditional allocation from the UKSPF. Caerphilly County Borough has a conditional allocation of £28,272,298, and an allocation of £5,901,499 for *Multiply (*UK Gov Adult numeracy programme) up to March 2025.

The 10 LAs in the CCR have a combined conditional allocation of £230,432,572 and £48,100,003 for *Multiply.

In order to access UKSPF funding, RCT as the lead local authority for the CCR have prepared a regional investment plan, setting out how they intend to use and deliver the funding over the 3-year period. The regional investment plan has been prepared by RCT with input by all 10 local authorities and it was formally submitted to UK Government on 1 August 2022. The anticipated date for the first investment plans to be approved and payment awarded to Lead Local Authorities by UK Government thereafter is October 2022 onward.

Notably, Caerphilly County Borough Council is not required to develop its own local investment plan for submission to UK Government. However, it is important that a local investment plan for the County Borough is prepared to provide clarity at the local level on the Caerphilly specific interventions that the Council wants to achieve through the UKSPF and this document provides this broad overview whilst Appendix 2 gives an overview of the scope of projects proposed set against the specific eligible interventions.

1 Introduction

1.1 The Caerphilly Local Investment Plan (LIP) has been derived through a series of workshop sessions with key stakeholders as an integral part of its development. The key policy issues that reoccurred throughout each of the workshop sessions have shaped and informed the LIP and the proposed interventions for the area.

1.2 Caerphilly County Borough (CBC) has a diverse population, economy and geography. It is home to 175,900 people (2021 Census). The County Borough is known for its history and in particular its Majestic Castle, its stunning landscapes and for its culture and sense of community. However, Caerphilly faces deep-rooted challenges, caused by the decline of heavy industry and the end of coalmining. Despite investment, significant parts of the county borough continue to be defined as some of the most economically deprived areas in Europe. On a per capita basis Caerphilly and indeed the Cardiff Capital Region (CCR) lags behind the UK average, generating only 80% of the UK average GVA per head. Notably, there are significant and long-established economic and social disparities between the more prosperous south and the more disadvantaged Heads of the Valleys Area. This juxtaposition of need and opportunity is a particular feature of the CCR as a whole and the county borough is no different and the Council is keen to address this disparity in Caerphilly through its SPF interventions.

1.3 Many of our more deprived areas have residents with poor physical and mental health and wellbeing and comparatively low levels of educational attainment and skills, all of which impact hugely on the quality of life for our citizens and communities. Too many people do not have access to the skills they need to get a good job; for too many people, the only jobs available are insecure and low paid. However it is important that the county borough is not defined by its challenges, many communities are doing well; our communities are close knit and willing to help one another during times of crisis, as evidenced during the pandemic. The county borough is also home to successful and growing businesses, particularly small to medium sized enterprises which are an important part of the local economy, and the area has a wide range of public services that employ thousands of people in the county borough.

1.4 This Local Investment Plan therefore includes Caerphilly Specific interventions which have been adapted to suit local characteristics reflecting the differing challenges and opportunities across different parts of the county borough.

2. Communities & Place

2.1 Due to a historic lack of investment, many towns have traditionally suffered from poor physical infrastructure, under-developed tourism and leisure assets, lack of available green space, vacant or derelict buildings and a lack of premises which are considered suitable for businesses to locate and grow. A run-down public realm is not only bad for business but impacts on local pride and morale. (Source: "Transforming the Valleys" Bevan Foundation 2020).

Towns:

2.2 The high street has also undergone rapid change and has been impacted by societal and technological change. Out of town shopping in close proximity to the county borough, the progressive loss of essential services such as banks and post offices and the growth of online retailing have all had significant consequences for communities and towns. The Audit Wales Town Centre Report 2021 highlights that towns are primarily configured for daytime services, and this is particularly the case in Caerphilly County Borough where the night-time offer is mostly underutilised. Many of our towns offer little in the way of community use (educational, institutional or religious buildings) and leisure (indoor or outdoor recreation) services and facilities. This can create concerns with regards to feeling safe when being out and about after dark, with worries about crime and anti-social behaviour. The pandemic has compounded some of these challenges as, for some people, shopping has become less functional and with a focus more on a day-out activity combining eating out, meeting friends and family and entertainment. So there is a clear challenge to ensure that towns and high streets can provide a wider and more flexible offer to residents and visitors alike.

2.3 The change facing our communities and towns also offers a substantial opportunity to deliver interventions that matter to local communities, developing community confidence and resilience as well as a strong and unique sense of identity and place. As a result of the pandemic, there is evidence that retail spending has shifted to local high street shops, mainly due to people shopping locally as they worked from home. However, it is no longer feasible nor desirable for towns to rely solely on retail. The "Review of High Street Footfall" report published by the UK High Street Task Force in August 2020 highlights how retail is declining as a dominant driver of visitors in many towns. Multifunctional towns which offer a wide range of non-retail attractions are proving more attractive to visitors as footfall returns to high streets. Maximising the mixed offer of housing, community, leisure, cultural and recreational opportunities through effective use of empty properties, public realm and green spaces, will enhance their long-term sustainability, and are clear areas for growth. This clearly fits with the Welsh Government's "Town Centre First" initiative which recognises that towns are vital to economic, social and cultural well-being and encourages the location of facilities and services within town centres to increase footfall and create vibrancy. The unique identity of each of our towns will play a key role in giving communities, high streets and our Principal Towns a sense of place and identity.

2.4 The diversification of our towns and the development of community, cultural and heritage venues to be more inclusive and accessible for all abilities and ages, will inevitably increase footfall and dwell time in our town centres and encourage an increase in the levels of volunteering and community engagement across the county borough, which will in turn provide community-based solutions to support participation and active healthy lifestyles. This is critical in terms of combatting societal issues such as anti-social behaviour, social isolation and facilitating prevention measures that avoid expensive health and social care costs.

2.5 Unless people feel safe in their homes and the places they live and work, they may not have the confidence or desire to access services or participate in community life. Four Lower Layer Super Output Areas in Caerphilly are in the 10% most deprived category for overall deprivation and three are in the 10% most deprived category for the health domain and two are in the most deprived category for Community Safety.

Proposed Interventions

2.6 In response, the Local Investment Plan proposes interventions that will:

- Enhance the public realm in our town centres including public realm improvements, decluttering of street spaces, introduction of smart solutions for business such as waste management storage and improved lighting design to enhance Caerphilly's night-time economy.
- Repurpose empty properties and heritage assets for meanwhile and community-led uses.
- Fund the appointment of a dedicated Town Centre Response Team to work across all towns in the county borough to clean, green and undertake general enhancements and improvements.
- Provide a Town Centre Enhancement Fund to ensure that the Council is able to react effectively to town centre audits.
- Focus on town centre high streets and event spaces and undertake measure to design out crime through hostile vehicle mitigation and other safety measures, such as appointing an Intervention & Prevention Co-ordinator to deliver a Crime and Disorder Prevention Project by to improve / support local communities and deal with anti-social behaviour.

Transport and Accessibility:

2.7 There is still heavy dependence on the car with public transport connections lacking capacity and efficiency in key places. Some communities in the valleys are poorly served by public transport. Not all are on a metro line, and even for those

that are, it does not necessarily reflect complex travel patterns that are not just north-south but also east-west. In some places, no buses run after 6 pm or on Sundays and some villages are served only by 1 bus per hour. Essential journeys such as shift-based employment, visiting hospitals and accessing leisure outside the county borough therefore is all but impossible for households without a vehicle.

2.8 The proportion of people who do not have access to a vehicle coupled with the climate emergency makes new and existing active travel routes and reliable and affordable public transport that provides cross-valley connections absolutely essential. (Source: "Transforming the Valleys" Bevan Foundation 2020). The current modal share in the CCR is 80:10:10 car, active travel, public transport. (Source: "Prosperity for Our Place" March 2021, Cardiff Capital Region).

2.9 The South Wales Metro is a multi-million investment project that connects the valleys and the wider region. It will provide an integrated network of bus, rail and active travel that will vastly improve connectivity and make sustainable travel easier across South Wales. Caerphilly does have an extensive and well used network of walking and cycling routes which enable the public and visitors to access town centres, flagship country parks, green spaces and centres of employment. The further development of Active Travel options will support health and well-being, tourism growth as well as contributing to the reduction in transport emissions and improvement in air quality.

2.10 Access poses another problem particularly for less able-bodied residents with issues related to the availability of off-street car parking, and poor public transport alternatives. Transport infrastructure (cycle ways, pavements and roads) have been identified as being generally in need of investment and enhancement, particularly to ensure that less able-bodied residents can access facilities and services. (Source: "Regenerating Town Centres in Wales" September 2021, Audit Wales).

Proposed Interventions

2.11 In response, the Local Investment Plan proposes interventions that will:

- Support initiatives that support active travel use such as the provision of new or improved cycleways / paths and an Active Travel Promotional Budget to promote their use.
- Increase Electric Vehicle charging points at key destinations.

Digital:

2.12 Notwithstanding the recent roll out of free Wi Fi in some of our town centres (Bargoed, Rhymney, Risca, Ystrad Mynach) the digital infrastructure throughout the

county borough is not strong, and a citizen survey conducted by Audit Wales identified that most towns lack an effective digital offer with poor connectivity, limited free and effective Wi-Fi. This can often be a barrier to people accessing many services which moved online during the pandemic. There is also limited access to banks or building societies, which can make it more difficult for vulnerable individuals to access banking facilities.

2.13 Digital data can offer insight on travel movements, parking, mobile phone activity, social media interaction and Wi-Fi usage, and can provide cost effective insights about the changing use of our high streets and towns. The collection and use of digital data as a way of increasing understanding, targeting, marketing and monitoring change is an important mechanism to inform policy intervention in our towns, and whilst all of our towns will have issues in common, no two towns are the same and will require different policy responses to the challenges they face.

2.14 The average UK broadband speed has nearly doubled in the past two years from 28.9 Mbit/s to 46.2 Mbit/s. Most authorities in the CCR only reach just over half the average speed with some rural and valleys areas reporting feeling 'left behind'.

Proposed Interventions

2.15 In response, the Local Investment Plan proposes interventions that will:

- Increase the accessibility and availability of digital infrastructure in local communities.
- Identify key sites that need digital infrastructure improvements plus various employment sites.
- Improve Wi Fi/digital connectivity in town centres and offer support to local businesses via the Caerphilly Enterprise Fund (CEF) to enable businesses to buy and implement new industrial digital technology solutions to add value to their offer.
- Develop a digital application e.g. Near me Now which will enable residents to access the nearest shop, bank, restaurant online and allow independent companies to advertise appointment or promotional offers on the local high street.

Health and Wellbeing:

2.16 The prevalence of physical and mental ill-health in a considerable number of communities is high. 25.4% of residents in Caerphilly report that their day-to-day activities were limited a little or a lot due to their health, slightly higher than the average (22.7%) in Wales as a whole.

2.17 The incidence of chronic diseases such as heart disease, respiratory disease, cancer, and diabetes is far higher than most other areas of Wales. Wales's Chief Medical Officer (CMO) has identified physical inactivity as a principal health risk to physical and mental health, and its cost to Wales is over £650 million a year. The County Borough has a high economic inactivity rate (25.7%) and one of the key drivers of this is a high rate of people who are long term sick.

Proposed Interventions

2.18 In response, the Local Investment Plan proposes interventions that will:

- Promote the importance of community sports facilities and engaging in sports.
- Establish a CCBC Sports and Recreation Grants programme for community groups to support community sports leagues.
- Make provision for 3G pitches at a local Community School to improve the provision of sports facilities to create a county borough that supports a healthy lifestyle in accordance with the Sustainable Development Principle within the Well-being of Future Generations (Wales) Act 2015.
- Make provision for Area Co-ordinators to signpost and link to existing services to improve health and well-being in the community.
- Provide a programme of Fitness Suite Enhancements to increase the number of facilities supported/created with the aim of increasing the number of users of facilities/amenities.
- Strengthen our social fabric and foster a sense of local pride and belonging, through investment in activities that enhance physical, cultural and social ties and amenities, such as community infrastructure and local green space, and community-led projects.

Cost of Living Crisis:

2.19 The cost of living is already taking a heavy toll on households and the effects are expected to worsen over the next year. While everyone is affected by rising prices, people on the lowest incomes are hardest hit. (Source: "Cost of Living Crisis" Bevan Foundation February 2022) In November 2021 the Bevan Foundation undertook a "Snapshot of Poverty in Winter" which identified that 39 per cent of Welsh households found it difficult to afford anything beyond everyday essentials. National Energy Action7 Cymru estimate that heating costs have doubled in 18 months, pushing 100,000 more people into fuel poverty. With further increases in energy prices likely, many households will be unable to heat their homes or risk being disconnected because of arrears.

Proposed Interventions

2.20 In response, the Local Investment Plan proposes interventions that will:

- Establish a Cost-of-Living Crisis Support Fund to provide programmes and campaigns to encourage the uptake of energy efficiency measures for homes such as heat pumps, water pumps, increased insulation etc.
- Target the most deprived communities across the county borough with support via an Energy Efficiency Fabric First Programme.
- Provide support for local foodbanks, social supermarkets and Fair Share Schemes to assist residents.

Community Engagement:

2.21 Caerphilly has a considerable strength in its social fabric and community spirit, which provides optimism regarding the capacity to forge a strong and distinctive identity which will help it address the challenges it faces as well as build on its opportunities. The involvement and engagement of the local community in identifying what they want and need from the high streets, towns and green spaces across Caerphilly will be vital to its success.

2.22 Engagement and volunteering will help develop a sense of ownership and pride as well as providing health and wellbeing and economic benefits such as tackling social isolation, creating social cohesion, providing opportunities for skills development as well as employment opportunities. Voluntary and community groups across the region understand the needs of their local communities well and can often deliver tailored services to people that statutory bodies have difficulty reaching. They are also able to provide trusted advice and signposting to other local services and can contribute to easing the pressure of the cost-of-living crisis by, for example, delivering local food projects; by advising people on energy use and offering a warm place to be; and by supporting people with their housing options.

Proposed Interventions

2.23 In response, the Local Investment Plan proposes to:

- Establish a Community Grants Programme for use by community groups/third sector/voluntary sector.

Natural Heritage:

2.24 Welsh Government is clear that the path to decarbonisation puts the welfare of our people, the health of our economy, and the protection and enhancement of

our natural environment front and centre. The storms of early 2020 highlighted the vulnerabilities of many communities and businesses in Caerphilly to flooding which has reaffirmed the growing importance of appropriate and effective management of the county borough's natural heritage and green infrastructure and its importance in terms of resilience to extreme weather events.

Proposed Interventions

2.25 In response, the Local Investment Plan proposes interventions that will:

- Establish a new Green Team, to contribute to the effective management of the county borough's green infrastructure and develop resilience to extreme weather events.
- Develop a Green Infrastructure Strategy.

Cultural Heritage:

2.26 The cultural heritage of Caerphilly is recognised and valued by communities and visitors as an important to the Visitor Economy and to the social, economic, cultural and health and well-being of citizens. With such variety of history and culture in a relatively small geographical area, this provides a unique selling point and major opportunity for tourism, health and recreation and a significant opportunity for activity across both the Communities and Place and Supporting Local Business priorities.

Proposed Interventions

2.27 In response, the Local Investment Plan proposes interventions that will:

- Provide support for existing cultural, historic and heritage groups and institutions that make up the local cultural and heritage offer recognising their impact on the social, economic, cultural and health and well-being of citizens.

3. Supporting Local Business:

3.1 During the pandemic businesses have had to adapt quickly, and local and national government support had to be rolled out quickly and tailored accordingly. Besides the many challenges faced, the restrictions also created opportunities for businesses to adapt their operating model to reflect these changing habits. As lockdown restrictions began to ease, businesses that adapted benefitted from increased footfall, as people stayed local rather than travelling into cities for shopping, work and leisure. The FSB Wales has identified the "essential role played by Wales's smaller businesses in supporting local communities, creating wealth and employment, driving innovation and helping Wales adapt and respond to these challenges".

Foundational Economy:

3.2 The Covid crisis has removed any doubt about the fundamental role of the foundational economy to the well-being of our citizens. This is the part of the economy which could not be shut down during the pandemic as it provided the infrastructure of everyday life, serving our essential daily household needs, and keeping us all safe and civilised, providing jobs at the heart of our communities in healthcare, childcare, food, housing, energy, construction, waste and recycling.

3.3 The Foundational Economy also makes a substantial contribution to GVA in Wales. The Centre for Research on Socio-Cultural Change estimated that the foundational economy accounts for approximately four jobs in every ten and approximately £1 in every £3 spent by households in Wales and Caerphilly County Borough is no exception.

3.4 These sectors of the non-tradeable economy act as critical pillars for job creation and stability, and for the employment of non-migrating graduates. As such, it provides considerable resilience to the local economy because its activities are distributed according to population and demand. It is also heavily community and place-based and provides a powerful enabler of collective consumption, and local wealth creation. Judicious support for key local 'anchors' can help keep money circulating locally and create better employment conditions, so helping spread local prosperity and drive productivity.

Proposed Interventions

3.5 In response, the Local Investment Plan proposes interventions that will:

- Provide grant support for SME within the Foundational Economy to expand and grow.
- Provide grant for new start-up businesses in the Foundational Economy.

Tourism (Leisure and Hospitality sector):

3.6 Businesses in the tourism, leisure and hospitality sector have been particularly impacted by the Covid pandemic. In a seasonal industry, the sector notes that 2020-21 is likely to be the equivalent of 3 winters. (Source: "Our Business is Wales" December 2020, FSB Wales). Given that between 2017-2019 the annual average for tourism expenditure in the CCR was £2.17 billion there is a significant challenge to re-build what is a key industry for the economy. (Source: "Tourism Profile South East Wales 2017-19" Government Social Research)

3.7 Tourism provides opportunities to rebuild a key industry to the economy following the significant detrimental impact of the pandemic. As well as supporting existing, and the development of tourism events that offer local opportunities in relation to targeted and niche markets, there is also scope to grow an integrated

approach to the tourism offer, aimed at deriving higher levels of economic impact, developing supply chains and inter-dependencies across the CCR. New innovation in relation to food and travel tech has the potential to create value in relation to export capacity and ensure that the CCR and Caerphilly are able to play a more active role with Department for International Trade and Trade and Invest Wales Green.

Proposed Interventions

3.8 In response, the Local Investment Plan proposes interventions that will:

- Provide grant support for SME within the Foundational Economy to expand and grow.
- Enable the Council to work with Business Wales to gather market information and develop a 'experience / tastebud tourism' (result of Hackathon). A marketing drive to increase 'tastebud tourism' within the borough will be carried out including improved websites and interaction with potential customers.
- Provide support to develop a tailored export strategy.
- Provide Grants to support International Trade within the county borough.

Sustainability of local businesses/enterprises:

3.9 Similar to the pattern across Wales and the UK, Caerphilly business demography is dominated by micro businesses (those employing fewer than 10 people) at 94.3% of total enterprises, with only 3.5% classed as small (10-49 employees) and 1.1% classed as medium (50-250 employees). The region has a higher business birth rate (12.6%) compared with Wales (11.4%) and GB (11.9%) but conversely also has a higher death rate at 11.2% (Wales 9.8% and GB 10.6%). (Source: Office for National Statistics November 2021).

3.10 Many larger firms began as individual sole traders, so gearing support to them is vital to strengthening the resilience of the area. (Source: "Transforming the Valleys" December 2020, Bevan Foundation). There is evidently a clear challenge to provide an environment in which smaller businesses can grow and become sustainable in the longer term.

Proposed Interventions

3.11 In response, the Local Investment Plan proposes interventions that will:

- Provide grant support for SMEs to expand and grow.
- Provide grant for new start-ups.

Availability of Business Premises:

3.12 A lack of available and suitable infrastructure is a challenge to businesses reaching their full potential. Research commissioned by the CCR Regional Cabinet, and the Welsh Government has illustrated that good quality sites for employment are in short supply and there is now a very limited availability of all sizes and types of speculative, ready to occupy premises ranging from space for small businesses and start-ups right through to large scale manufacturing projects. (Source: "CCR City Deal Strategic Business Plan Wider Investment Fund 2020-2025").

Proposed Interventions

3.13 In response, the Local Investment Plan proposes interventions that will:

- Unlock land for new development for a range of businesses.
- Facilitate delivery of new start-up units.

Low levels of R&D Investment:

3.14 The CCR has a highly regarded science base through its universities, collaboratively providing a strong foundation for developing new technologies and applications. However investment in R&D has remained comparatively low in the region, with Innovate UK expenditure in Wales measured at less than a third of the average UK per head figure. Levels of public R&D investment in Wales stands at just 1% of Welsh GVA. In the CCR, average investment is well below 1% with only Cardiff showing a figure of 1.1%. A Nesta report has highlighted that Wales loses out to the tune of between £400-600M per annum on R&D investment. Although the region has innovation strengths, evidence shows these successively fail to convert to 'innovation outcomes'. This is because the region does not have the structural conditions and systems in place to support eco-systemic growth. This is crucial because innovation-led growth provides the best prospects for high-order jobs and strong productivity. (Source: "Strategic Business Plan 2021/2026" Cardiff Capital Region). Issues such as decarbonisation and skills deficits also provide challenges to local businesses.

3.15 The economy of the CCR accounts for approximately 50% of the Welsh economy, so there are many opportunities to support local businesses (both private and social enterprises) as part of this Priority. Support for the social, commercial and community food economy to increase production, shorten supply chains, and reduce food inequality through capital, revenue and social investment is required.

3.16 A number of strong and emergent clusters offers opportunities to develop value-chain growth. The CCR has global credentials in manufacturing advanced compound semi-conductors, a key component for the international smartphone, mid-tech, automotive and 5G industries.

3.17 In life sciences the region has clear strengths in medical diagnostics and devices, whilst in the creative industries there is a proven strength in stage and screen.

Proposed Interventions

3.18 In response, the Local Investment Plan via the CCR proposes interventions that will:

- Introduce companies in the clusters and supply chains to innovation and productivity indicatives – growing capability and leadership skills as well as pragmatic issues around energy security.
- Attract further businesses to the region that are innovative and aligned with priority clusters to grow the high value jobs base and increase regional productivity and competitiveness.
- Increase the number of knowledge-based businesses in the region that create high wage jobs that are key to growing and spreading prosperity.
- Establish a series of assured academies across the region supported by FE and clusters in the region, supporting social mobility and 'widening access' and contributing to the employer-led skills landscape.

3.19 This will help promote better economic inclusion by focussing on the needs of SMEs and micro-businesses and root this provision in local place and context The plan is that establishing a small but focussed regional programme of activity, means that it is capable of growth over time with the opportunity to lever in wider UKG funds for Research and Innovation – for which billions of pounds of new investment is available through Innovation Launchpads, Accelerators and investment such as the Innovation Infrastructure Fund.

Green Jobs Growth:

3.20 In March 2021 Senedd Cymru approved a net zero target for 2050 with interim targets for 2030 (63%) and 2040 (89%). The transition to a low carbon economy will bring opportunities for communities around clean growth, quality jobs, as well as wider benefits such as better places to live and work, clean air and water, and better health (Source: "Prosperity for All – A Low Carbon Wales" 2019, Welsh Government) This is very much an opportunity which cuts across both the Communities and Place and the Supporting Local Business investment priorities.

3.21 These progressive targets will provide new opportunities for innovation and economic activity with initiatives to support decarbonisation, energy efficiency and the green economy. There is significant opportunity to build on the work being undertaken within the region in both power electronics and vehicle manufacture to take a significant step forward towards the zero-carbon agenda, if the roll out of a

suitable EV charging infrastructure as well as refuelling stations for green gas such as biomethane and hydrogen, can be expedited.

Proposed Interventions

3.22 In response, the Local Investment Plan via the CCR proposes interventions that will:

- Provide grant support to expand and grow green technology and improve efficiency to move to a zero-carbon economy.

4. People and Skills:

4.1 Many of Caerphilly's communities are characterised by high levels of socio-economic deprivation caused by a number of interrelated economic indicators including high levels of unemployment, low-income levels, high levels of economic inactivity, poor health conditions and low educational attainment levels.

Employment / Economic Activity:

4.2 Improving local skills through workforce planning, training, apprenticeships and volunteering opportunities will help future generations find decent, rewarding work and avoid in-work poverty. Labour market statistics demonstrate that economic activity is lower than the national average. e.g. in Caerphilly between January-December 2021 64.9% of people were economically active (compared with 76.4% for Wales and 78.4% for GB). The economic inactivity rate was 35.1% (compared with 23.6% in Wales and 21.6% for GB) (Source NOMIS Report - ONS Annual Population Survey).

4.3 The Covid-19 pandemic is likely to have had a significant impact on the pattern of employment locally, with the biggest impacts in the Retail, Hospitality, Tourism and (to an extent) Construction sectors. One of the key challenges for the whole of the county borough will be to ensure that the public, private and community sectors link in with the CCR City Deal where appropriate, so the area benefits as much as possible from the investment and economic growth that will take place in the years to come.

4.4 The Council's LIP interventions will develop a Regional Innovation Cluster and Skills Academy ensuing a regional contribution based on regional analysis of need. Funding for increasing scope and reach of businesses such as Welsh Ice / Town Square etc. to include the introduction of satellite hubs to provide an extension of the 5-9 club, boot camps etc, who have delivered similar programmes. Accelerator and incubator provision (the development of smaller start-up units in the county borough) built by both CCBC and the private sector will support businesses to innovate, scale and reach new investment. Employment unit improvements which comply with building regs and become energy efficient which will reduce running costs and help to ensure sustainability of business tenants.

Unemployment / Economic Inactivity / Worklessness:

4.5 Between February to April 2022 unemployment stood at 3.5% in Wales, the same as the rate for GB. However economic inactivity rates are particularly high (23.3%) with a significant level of jobless people who are potentially available to work. Many of these people will be the hardest to reach, engage with and upskill and are likely to require varying degrees of help to re-enter the labour market. One of the large drivers of the higher economic inactivity rate is a comparatively high number of people (30%) who are long-term sick and only 79,200 indicated they wanted a job. Reducing economic inactivity will require raising aspirations and opportunity in those young people for whom unemployment may already be entrenched in their family. The achievement of softer outcomes and their subsequent ripple effects will be equally important so that marginalised groups get closer to the labour market with onward progression to education, training or employment. Volunteering and social enterprises can also offer important routes to improving skills and experience that may lead to increased rates of economic activity.

Young People Not in Education, Employment or Training (NEET):

4.6 There is a need to reduce the number of 11 to 19-year-olds who are in education but at risk of becoming not in education, training, or employment (Pre-NEET), and those who are 16 to 24-year-olds who are NEET, to bring about their sustainable integration into the labour market, thereby contributing to a reduction in youth unemployment. More generally there will be a need to manage expectations on the level of funding that is available across the regions for employability support provision following on from European Social Fund, including the 3rd sector, colleges and universities. With the introduction of DWP employment support programmes i.e. RESTART, JETS, and the continuation and expansion of the WG employment programmes from 2023, there is a need to ensure that SPF funding is aligned and complements current provision and avoids duplication.

4.7 Programmes targeted at pre-16's can form part of activity under the Communities and Place priority and People And Skills Priority will form part of the overall regional approach to People and Skills employment support programmes.

Skills Levels:

4.8 NOMIS Data (Apr 2021-Mar 2022) shows the rate of people with NVQ Level 4 or above qualifications in Caerphilly is 32.8%, Level 3 or above is 49.7%, Level 2 or above is 70.9% and 10.3% have no qualifications at all. However, there are significant differentiations across the CCR with just 3.1% of the working age population in Monmouthshire have no qualifications compared with 21.3% in Merthyr Tydfil.

4.9 Across the UK, skills shortages are becoming more prevalent (Open University Business Barometer 2019). The Business Barometer Survey of 2019 asked 950 senior business leaders at SMEs and large enterprises across the UK whether they

were currently experiencing a skills shortage – with 63% saying yes. In Wales, this was 67%. In Wales, skills shortages are estimated to be costing the economy £155.2m per year. Given the regional economy accounts for 51% of the total GVA in Wales, it is likely to be having a significant financial impact in the CCR. (Source: “Employment and Skills Plan” Cardiff Capital Region Skills Partnership).

4.10 There is also the challenge of addressing the skills needs of small businesses, as their day-to-day needs are likely to differ to large companies, and their ability and capacity to respond to challenges, such as Brexit and digitalisation, differ to larger companies. They are also harder to reach and, unlike large companies which may have their own specialist divisions to report on individual skills issue, management are fulfilling many roles within the businesses. Recruitment and skills issues can therefore cause significant disruption to a business. Good skills are crucial for local and prospective employer confidence that jobs can be filled with suitable and appropriately skilled workers. This increases the likelihood of local workers being able to successfully compete for vacancies. Currently businesses are experiencing difficulties with recruitment and finding employees with the right skill levels, and workers who are facing uncertain futures as a result of the pandemic, need to be able to access new or different types of work quickly, including by reskilling, retraining and having clear pathway back into the labour market.

Multiply

4.11 The overall objective of Multiply is to increase the levels of functional numeracy in the adult population across the county borough. It is intended that a series of interventions to achieve the following outcomes will be pursued:

- **More adults achieving maths qualifications / participating in numeracy courses** (up to, and including Level 2/ SCQF Level 5).
- **Improved labour market outcomes** e.g. fewer numeracy skills gaps reported by employers, and an increase in the proportion of adults that progress into sustained employment and / or education.
- **Increased adult numeracy across the population** this overall impact, which goes beyond achieving certificates or qualifications, will track both the perceived and actual difference taking part in the programme makes in supporting learners to improve their understanding and use of maths in their daily lives, at home and at work and to feel more confident when doing so.

Proposed Interventions

4.12 In response the Local Investment Plan will work with partners in the region in line with the approved Regional Employability Model to:

- Make provision for employment support for economically inactive people.
- Jointly commission FE, ACL and locally procured bespoke courses which address skills gaps, address recruitment issues linked to skills gaps, and focus on growth areas in the local labour market including Creative and Digital, Green skills and green industries, Lower carbon sectors etc.
- Enable those employed in high carbon sectors locally to retrain / develop skills in lower carbon sectors.
- Jointly commissioning the FE sector to provide keyworker & wrap-around support (including counselling, financial inclusion, enrichment activities, health & wellbeing advice, hook courses, alternative qualifications etc) for those who are at risk of disengaging from EET within the FE setting.
- Deliver and procure work related qualifications.
- Provide individual support for people who are in work and would like to progress or change their career direction. Work related qualifications and interview skills and job search skills will be the focus.
- Set courses or learner led and cover topics such as – numeracy refresh, budgeting, managing your energy bills, shopping on a budget, cooking on a budget, and much more). One -to-one sessions will also be offered for those furthest away from engagement.
- Large scale events will be held over the life of the project to engage and enthuse the public/potential learners with the Multiply Programme.

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APPENDIX 3 Shared Prosperity Fund: Caerphilly Local Investment Plan (September 2022)

COMMUNITIES & PLACE THEME INTERVENTION	PROJECT SCOPE	REVENUE	CAPITAL	TOTAL
W01: Funding for improvements to town centres and high streets, including better accessibility for disabled people, including capital spend and running costs.	Public realm improvements, town centre enhancement schemes, decluttering street space, waste management improvements, decorative enhancements	£1,382,401	£850,000	£2,232,401
W02: Funding for new, or improvements to existing, community and neighbourhood infrastructure projects.	Introduce EV charging points to tourist attractions across the county borough.	-	£150,000	£150,000
W03: Creation of and improvements to local green spaces, community gardens, watercourses and embankments, along with incorporating natural features and biodiversity improvements into wider public space.	Set up green team, support for Gwent Grid partner network	£1,175,000	£75,000	£1,250,000
W04: Enhanced support for existing cultural, historic and heritage institutions that make up the local cultural and heritage offer.	Create a heritage fund for targeted renovation of listed buildings to bring back into use	-	£400,000	£400,000
W05: Design and management of the built and landscaped environment to 'design out crime'.	Improve public and street safety, employ crime & prevention co-ordinator to tackle anti-social behaviour / crime & disorder prevention, target fly-tipping, extend smart water use to business sector, acquire mobile CCTV unit.	£190,000	£313,200	£503,200
W06: Support for local arts, cultural, heritage and creative activities.	Enhance town centre, cultural and creative events programme, funding for maker spaces and local art galleries / museums / libraries for exhibitions. Support for local arts, cultural, heritage and creative activities. Support for displays for artists to showcase work. Locally led music and theatre performances, tours, author events and film screenings. Support for outreach / engagement / participatory programmes as part of wider local arts, cultural, heritage and creative activities. Support for the establishment / development of cultural / heritage collaborative networks to share knowledge locally. Support to re-introduce Community Carnivals. Support for Community Art and	£475,107	-	£475,107

APPENDIX 3 Shared Prosperity Fund: Caerphilly Local Investment Plan (September 2022)

	Community Competitions such as Towns in Bloom. Work with local schools to develop Tourist Trails and develop apps signposting to arts / community competitions.			
W07: Support for active travel enhancement and other small-scale green transport infrastructure projects, having regard to the Wales Transport Strategy.	Promotional campaign to encourage active travel	£50,000		£50,000
W08: Funding for the development and promotion of wider campaigns and year- round experiences which encourage people to visit and explore the local area.	Support the investigation of setting up Business Improvement Districts	£40,000		£40,000
W09: Funding for impactful volunteering and/or social action projects to develop social and human capital in local places.	Deliver rural engagement and resilience programme for community spaces, groups and rural communities, support the Gwent Resilience framework 'food 4 growth' programme, introduce community volunteer facilitator to develop volunteer groups to deliver community focussed projects e.g. community orchards	£968,598	£50,000	£1,018,598
W10: Funding for local sports facilities, tournaments, teams and leagues; to bring people together.	Establish sports & recreation fund for community groups, support for community leagues & sporting events e.g. Tour of Britain, install 3G pitch (Risca), purchase of recreational equipment to support peripatetic leisure activity across the county borough, Heolddu fitness suite enhancement.	£1,254,100	£444,000	£1,698,100
W11: Investment in capacity building and infrastructure support for local civil society and community groups.	Establish Community Grants Programme for use by community groups / third sector/voluntary sector to develop / enhance community spaces, such as village halls, libraries or community centres for local civil society and community groups to use. Training programmes to support local civil society and community group leaders	£600,000	£70,000	£670,000
W13: Community measures to reduce the cost of living, including through measures to improve energy efficiency, and combat fuel poverty and climate change.	Establish a cost-of-living fund for programmes / campaigns to encourage uptake of energy efficiency measures for homes, including, heat pumps, water pumps and increased insulation.	£1,045,000	£400,000	£1,445,000

APPENDIX 3 Shared Prosperity Fund: Caerphilly Local Investment Plan (September 2022)

	Support for local foodbanks, social supermarkets, fair share Scheme. Energy Efficiency fabric first Programme to tackle cost of living crisis and fuel poverty, targeted at specific geographically deprived areas.			
W14: Funding to support relevant feasibility studies.	Develop local food strategy / action plan in support of Caerphilly Food Network, establish feasibility studies from town centre plans e.g. Blackwood, Bargoed and Rhymney. Develop town centre green strategies, use of Mon-Breon canal in line with Adventure Triangle project.	£440,000		£440,000
			TOTAL	£10,372,406

APPENDIX 3 Shared Prosperity Fund: Caerphilly Local Investment Plan (September 2022)

SUPPORTING LOCAL BUSINESS THEME INTERVENTION	PROJECT SCOPE	REVENUE	CAPITAL	TOTAL
W16: Investment in open markets and improvements to town centre retail and service sector infrastructure, with wrap around support for small businesses.	Increase budget of CEF fund to include retail/night-time economy and tourism sub threads, decarbonisation & feasibility studies, energy efficiency, start-up business support. Develop a meanwhile uses support programme. Improve Wi Fi/digital connectivity in town centres and offer support to local businesses to enhance digital connectivity. Facilitate new market re/location / expansion, support choose local marketing campaign.	£1,120,000	£2,610,000	£3,730,000
W17: Development and promotion (both trade and consumer) of the visitor economy, such as local attractions, trails, tours and tourism products more generally.	Development and marketing of 'experience / tastebud tourism' within the county borough. Help to improve websites and interaction with potential customers. Review of options for future regional tourism strategy. Support and promote the LA's visitor portfolio. Marketing drive specifically designed for promoting visitor offer throughout the county borough. Support CTA.	£528,246	£250,000	£778,246
W18: Supporting Made Smarter Adoption: Providing tailored expert advice, matched grants and leadership training to enable manufacturing SMEs to adopt industrial digital technology solutions.	Match funded grants to enable firms to buy and implement new industrial digital technology solutions. CCBC led grant under CEF umbrella to support businesses looking to implement new industrial digital technology solutions	£150,000	-	£150,000
W19: Increasing investment in research and development at the local level. Investment to support the diffusion of innovation knowledge and activities, in both economically important and emerging areas.	Regional Innovation cluster and skills academy development	£472,032 ¹	-	£472,032
W22: Investing in enterprise infrastructure and employment/innovation site development projects. This can help to unlock site development projects which will support growth in places	Support for satellite hubs / extension of programmes such as 5-9 club, boot camps & entrepreneurial support for new projects. Property portfolio improvement programme. Development of starter and larger factory unit on Oakdale Business	£150,000	£1,800,000	£1,950,000

¹ £472,032 top sliced for Cardiff Capital Region delivered programme

APPENDIX 3 Shared Prosperity Fund: Caerphilly Local Investment Plan (September 2022)

	Park. Build new starter units at Ty Du employment park.			
W23: Strengthening local entrepreneurial ecosystems, and supporting businesses at all stages of their development to start, sustain, grow and innovate, including through local networks.	Competitive fund for private sector, 3 rd sector, business support organisations, Caerphilly Business Club to bid into for project development to support business growth. Supply void development.	£1,347,452	£97,606	£1,445,058
W28: Export Grants to support businesses to grow their overseas trading, supporting local employment and investment.	International Trade Officer to be allocated budget to support local business to develop their export potential.	£40,000	-	£40,000
W29: Supporting decarbonisation and improving the natural environment whilst growing the local economy.	Continuation of Rural Development Team to develop a rural engagement and resilience programme, manage a rural innovation & investment fund, undertake R&D, evaluation and promotion of the programme. Introduce EV charging points to business & industrial parks.	£547,030	£300,000	£847,030
W31: Funding to support relevant feasibility studies.	Feasibility studies for supporting employment growth opportunities and identification of business sites that need digital infrastructure improvements	£200,000	-	£200,000
			TOTAL	£9,612,366

APPENDIX 3 Shared Prosperity Fund: Caerphilly Local Investment Plan (September 2022)

PEOPLE & SKILLS THEME INTERVENTION	PROJECT SCOPE	REVENUE	CAPITAL	TOTAL
W34: Employment support for economically inactive people.	Individual support will be provided to raise confidence, self-esteem and motivation. work related qualifications will be provided along with CV writing, interview skills and preparation.	£2,724,091	£45,909	£2,770,000
W35: Courses including basic & life skills for people not economically inactive.	Work related qualifications will be delivered and procured. Other courses will include, CV writing workshops, confidence building, job search, managing expectations to source employment.	£750,000	-	£750,000
W36: Enrichment & volunteering.	Volunteer placements will be identified by working with the local community and business support team. Academy team will work specifically with council departments to identify placements and opportunities within the council and also the council supply chain.	£540,000	-	£540,000
W38: Tailored support for the employed to access courses.	Individual support for people who are in work and would like to progress or change their career direction. work related qualifications and interview skills and job search skills will be the focus.	£430,292	-	£430,292
W39: Support for local areas to fund local skills needs.	<p><u>Regional Employability Model: Joint Commissioning</u></p> <p>Stage: Upskilling at Work Activity: Jointly commissioning FE, ACL and locally procured bespoke courses which address skills gaps, address recruitment issues linked to skills gaps, and focus on growth areas in the local labour market for those in employment to develop and progress in their careers. Digital, creative, manufacturing sector skills targeted.</p>	£175,000	-	£175,000
W40: Green skills courses.	<p><u>Regional Employability Model: Joint Commissioning</u></p> <p>Jointly commissioning FE, ACL and locally procured bespoke courses which address skills gaps and</p>	£175,000	-	£175,000

APPENDIX 3 Shared Prosperity Fund: Caerphilly Local Investment Plan (September 2022)

	recruitment needs in relation to 'green' skills and green industries. Supporting those who are both unemployed and employed.			
W41: Retraining & upskilling support for those in high carbon sectors.	<p><u>Regional Employability Model: Joint Commissioning</u> Jointly commissioning FE, ACL and locally procured bespoke courses which will enable those employed in high carbon sectors locally to retrain / develop skills in lower carbon sectors.</p>	£480,000	-	£480,000
W43: Funding to support engagement and softer skills development for young people, with regard to the work of Careers Wales/Working Wales.	<p><u>Regional Employability Model: Joint Commissioning</u> Stage: Remaining in FE Activity: Jointly commissioning the FE sector to provide keyworker & wrap-around support (including counselling, financial inclusion, enrichment activities, health & wellbeing advice, hook courses, alternative qualifications etc) for those who are at risk of disengaging from EET within the FE setting and to find and re-engage those who have disengaged. Local Intervention: Inspire 2 Achieve evolution Interventions with young people pre 16 who are at risk of becoming NEET as identified by STRIVE. Interventions include soft skills, motivation, attendance and behaviour. This intervention will be offered in schools across the borough and will replace Inspire 2 Achieve (I2A).</p>	£2,005,223	-	£2,005,223
			TOTAL	£7,325,515

APPENDIX 3 Shared Prosperity Fund: Caerphilly Local Investment Plan (September 2022)

MULTIPLY INTERVENTION	PROJECT SCOPE	REVENUE	CAPITAL	TOTAL
W44: Courses designed to increase confidence in numbers.	Set courses or learner led to cover topics such as – numeracy refresh, budgeting, managing your energy bills, shopping on a budget, cooking on a budget, and much more). One -to-one sessions will also be offered for those furthest away from engagement.	£643,000	-	£643,000
W45: Courses for parents wanting to increase numeracy skills.	Set courses or learner led and cover topics such as – numeracy refresh, budgeting, managing your energy bills, shopping on a budget, cooking on a budget, and much more). One -to-one sessions will also be offered for those furthest away from engagement.	£647,213	-	£647,213
W46: Courses for prisoners, those recently released or on temporary licence.	This provision will be put in place for specific groups on request OR, where appropriate, learners will be filtered into courses running for the wider general public and offer numeracy/maths courses from pre-entry to Level 2/GCSE	£25,000	-	£25,000
W47: Courses aimed at encouraging people to upskill to access jobs/careers.	Strong links are already in place with the Employability provisions within the local authority – referrals will be welcomed from these provisions and potentially, courses could be set up specifically for these learners should they require a more bespoke service (linking to potential employment opportunities).	£643,000	-	£643,000
W48: additional relevant maths modules in vocational courses.	Multiply tutors will offer support and guidance to other tutors who currently deliver outside of the numeracy provision e.g., literacy, IDCL, classroom assistant, etc.	£100,000	-	£100,000
W49: Innovative programmes delivered with employers	The engagement team will build links with employers across the borough with a view of educating them in the need for / benefits of upskilling the workforce in numeracy skills. Sessions will be offered for those employees whose workplaces sign up for support from the project, either face-to-face or online.	£100,000	-	£100,000
W50: Intensive & flexible courses for those without Level 2 maths.	Set courses or learner led and cover topics such as – numeracy refresh, budgeting, managing your energy	£2,723,304	-	£2,723,304

APPENDIX 3 Shared Prosperity Fund: Caerphilly Local Investment Plan (September 2022)

	bills, shopping on a budget, cooking on a budget, and much more). One -to-one sessions will also be offered for those furthest away from engagement. GCSE maths - learners who have successfully completed the pre-GCSE sessions run by the LA will be referred to the colleges to complete their GCS qualification.			
W51: Courses designed to help with numeracy for managing money.	Set courses or learner led and cover topics such as – numeracy refresh, budgeting, managing your energy bills, shopping on a budget, cooking on a budget, and much more). One -to-one sessions will also be offered for those furthest away from engagement.	£643,000	-	£643,000
W52: Courses for 19s or over leaving or just left the care system.	This provision will be put in place for specific groups on request OR, where appropriate, learners will be filtered into courses running for the wider general public. Courses can be set, or learner led and cover topics such as – numeracy refresh, budgeting, managing your energy bills, shopping on a budget, cooking on a budget, and much more). One -to-one sessions will also be offered for those furthest away from engagement.	£50,000	-	£50,000
W53: Provision developed in partnership with community organisations.	15 large scale events will be held over the life of the project to engage and enthuse the public/potential learners. The events will include fun activities for all the family (bingo and other numeracy games), as well as workshops, information stalls, and activities that fit into the numeracy/maths agenda.	£90,921	-	£90,921
			TOTAL	£5,665,438

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CABINET – 26TH SEPTEMBER 2022

SUBJECT: PROVISIONAL REVENUE BUDGET OUTTURN FOR 2021/22

REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE SERVICES



1. PURPOSE OF REPORT

- 1.1 To provide Cabinet with details of the provisional revenue budget outturn for the 2021/22 financial year prior to the completion of the annual external audit of the accounts by Audit Wales.

2. SUMMARY

- 2.1 In advance of the 2021/22 Financial Statements audit being completed by Audit Wales and presented to the Governance & Audit Committee on 26 October 2022 and then Council on 24 November 2022, this report provides an overview of the Council's performance against the revenue budget for the 2021/22 financial year.
- 2.2 Members receive detailed budget monitoring reports as part of the Scrutiny process throughout the financial year.
- 2.3 The report also includes a range of proposals for the use of surplus General Fund balances and the use of service reserves.

3. RECOMMENDATIONS

- 3.1 Cabinet is asked to: -
- 3.1.1 Note the provisional 2021/22 revenue budget outturn position.
- 3.1.2 Agree that the £878k Council Tax Collection grant received from the Welsh Government (WG) in 2021/22 should be set aside in an earmarked reserve to help mitigate the financial impact of a potential further shortfall in Council Tax collection rates in the 2022/23 financial year.
- 3.1.3 Endorse a recommendation to Council to maintain the General Fund balance at £11.852m, representing 3% of the 2022/23 net revenue budget.
- 3.1.4 Endorse the proposed use of surplus General Fund balances totalling £14.333m as detailed in section 5.10 of the report, prior to consideration by Council on 04 October 2022.

- 3.1.5 Note the use of service reserves totalling £2.414m that have been agreed by Officers using delegated powers as detailed in Appendix C.
- 3.1.6 Approve the proposed use of service reserves totalling £3.498m as set out in section 5.11 of the report.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that Cabinet Members are aware of the provisional revenue budget outturn for the 2021/22 financial year and supportive of the proposed use of reserves.

5. THE REPORT

5.1 Overview

- 5.1.1 Cabinet will be aware that the Authority continued to incur significant additional costs during the 2021/22 financial year due to the Covid-19 pandemic and has also lost income in several key areas. The Welsh Government (WG) continued to provide substantial funding to Local Authorities to offset additional costs and income losses through the Covid-19 Hardship Fund, with the total funding allocated to Caerphilly CBC during the 2021/22 financial year being £19.025m.
- 5.1.2 In addition to the funding provided to offset additional costs and income losses, WG also provided specific grant funding to Local Authorities to assist with a range of other financial pressures. This included £878k to help mitigate a reduction in Council Tax collection rates due to the economic impact of the pandemic, £2.576m for Track, Trace and Protect (TTP), £4.036m for the Social Care Recovery Fund and £1.017m for Education and Lifelong Learning.
- 5.1.3 The 2021/22 provisional outturn position is attached as Appendix A and is summarised below:-

	£m
Net Service Directorate Underspends	14.770
Miscellaneous Finance Underspend	4.479
Council Tax Surplus	1.761
Additional Revenue Support Grant (RSG) 2021/22	3.540
Housing Revenue Account (HRA) Underspend	7.342
Schools Underspend	5.923
Total: -	37.815

- 5.1.4 As was the case in the 2020/21 financial year, the level of underspend for 2021/22 is significantly higher than in previous years. This reflects the ongoing impact of the pandemic on changes in working practices and the scale of financial support provided, large elements of which were not received until the latter part of the financial year.
- 5.1.5 After adjusting for earmarked reserves, 50% of underspends are carried forward by Directorates and are available to meet the requirements of these service areas. The remaining balance is transferred to the General Fund. Overspends are normally funded from future Directorate budgets or balances brought forward from previous years. Service reserves held by Directorates can be used to fund one-off cost

pressures or to pump-prime service reconfiguration, but they cannot be relied upon to deliver balanced budgets on a recurring basis.

- 5.1.6 The following paragraphs provide details of the more significant variations against budget by service area.

5.2 Education and Lifelong Learning (£7.825m Underspend)

- 5.2.1 Overall the Directorate is reporting an underspend of £7.825m, which includes an underspend of £5.923m for schools. The schools in-year underspend is ring-fenced, consequently school balances have increased from £11.3m to £17.2m as at 31 March 2022.

- 5.2.2 The outturn position for schools is greater than projected following some late grant funding support from WG. In addition, some of the expenditure that schools would have planned to incur during the financial year has simply not been possible. Schools continued to receive financial support from WG during the 2021/22 financial year through the Covid-19 Hardship Fund, but this funding ended on 31 March 2022. The balances position is obviously very good news for our schools, although balances should be reviewed at individual school level as the position will be different for each of our schools. As of 31 March 2022, there were no schools with a deficit balance.

- 5.2.3 Excluding the schools, the Education & Lifelong Learning Directorate (including Home to School/College Transport) is reporting an underspend of £1.902m. The most significant variances against budgets are as follows:-

	(Over)/ Under £000's
Home to School/College Transport	242
Pension Costs of School Based Staff	255
Management and Support Service Costs	109
Psychological Service and Schools Based Counselling	290
EOTAS, Additional Support and Out-of-County	461
Early Years Central Team	261
Adult Education	312
Youth Service	264
Library Service	197
Release of Prior-Year Accruals	242
Earmarked Funds (Cabinet 23/02/22)	(950)

- 5.2.4 The £242k underspend on Home to School/College Transport equates to a variance of circa 3% of budget. Throughout the financial year WG have provided support through the Covid-19 Hardship Fund for additional costs incurred by transport providers in respect of additional cleaning and Personal Protective Equipment (PPE) requirements linked to the pandemic.

- 5.2.5 The £255k underspend on the pension costs of school-based staff follows 2 years of good budget settlements for schools, which has had a positive impact on the retention of staff.

- 5.2.6 The £109k underspend with regards to Management and Support Service costs is primarily linked to in-year vacancies, additional income generation and savings linked to general office costs and vacant properties.

- 5.2.7 The £290k underspend in the Psychology Service & School Based Counselling Team is due to some late grant funding from WG, vacant posts and delays in recruitment.
- 5.2.8 There is an underspend of £461k for the budgets supporting our most vulnerable learners (Education Other Than at School (EOTAS), Additional Support, and Out-of-County). This represents an underspend of 4.7% on a combined budget of £9.89m. This positive position follows the allocation of budget growth in recent years to support significant financial pressures in this area, plus work to support more cost-effective practices.
- 5.2.9 The £261k underspend in the Early Years Central Team is due to the success of the team in accessing specific grant funding from WG to support staff related costs.
- 5.2.10 The underspend of £312k for Adult Education is largely due to late grant funding which displaced expenditure in relation to property and IT costs within the Authority. It is proposed that Adult Education retain the value of this displaced grant funding (£197k) in the 2022/23 financial year to directly invest in the service, particularly with regards to a backlog of maintenance in relation to Oxford House in Risca.
- 5.2.11 The underspends in relation to the Youth and Library Services are partly linked to premise and resource savings that were a direct consequence of the ongoing impact of the pandemic. Furthermore, additional grant funding was received during the financial year.
- 5.2.12 As part of the year-end closure processes, prior year accruals were reviewed. The outcome of this exercise was a release of accruals to the value of £242k into the revenue accounts.
- 5.2.13 Following the approval of Cabinet on 23 February 2022, £950k of the Directorate's projected in-year underspend was set aside in earmarked reserves to support additional fixed-term staffing capacity across a number of Teams over the next 2 years.

5.3 Social Services (£9.043m Underspend)

- 5.3.1 The 2021/22 financial year saw a substantial increase in the costs of residential care for children and adults as well as for supported living placements for adults. These increasing costs arose through a combination of an increase in demand for services and the increasingly complex needs and behaviours of the service users requiring care.
- 5.3.2 However, the continuing effects of the pandemic restricted the provision of some services due to a combination of staff shortages across the social care market and the challenges of providing a safe environment for the delivery of some services. These restrictions led to non-recurring savings during 2021/22, which more than offset the additional costs associated with the increased demand and complexities identified above.
- 5.3.3 Furthermore, between 15 September 2021 and 11 February 2022, WG released additional grant funding for social care as a result of additional funding made available by the UK Government. For Caerphilly CBC, this meant additional funding of £4.036m in respect of the Social Care Recovery Fund and £2.974m in respect of the Social Care Pressures Grant. Due to the timing of these announcements, the short-term nature of the funding and a lack of capacity in the social care market, it was not possible to utilise this additional funding to enhance service provision to any great extent. Therefore,

most of the funding has either been used to underwrite the increasing demand and complexities that were already presenting or to reduce the call on service reserves that had been planned during 2021/22 to fund a number of short-term arrangements.

5.3.4 These additional funding streams, along with around £1m from the WG Covid-19 Hardship Fund to support in-house services meant that Caerphilly Social Services received more than £8million in non-recurring grant funding during 2021/22 that had not been expected at the beginning of the financial year. This accounts for a significant proportion of the £9.043million Social Services underspend.

5.3.5 A summary of the £9.043million underspend is provided in the table below:-

Service Area	Revised Budget 2021/22 £m	Outturn 2021/22 £m	(Over)/ Underspend £m
Children's Services	26.718	25.013	1.705
Adult Services	68.838	63.207	5.631
Business Support	2.172	0.955	1.217
Social Services Transport	1.534	1.044	0.490
Total	99.262	90.219	9.043

5.3.6 Within the Children's Services Division, increasing demand and complexities led to a potential overspend of £2.658m. However, vacancy savings of £690k, other non-recurring savings of £659k and the use of £3.449m of additional grant funding led to a net underspend for the Division of £1.705m and a reduced call on service reserves of £435k.

5.3.7 Similarly, within the Adult Services Division increasing demand and complexities led to potential overspends of £645k in respect of residential and nursing care, £749k in respect of supported living and extra care, and £486k in respect of services for children with disabilities. However, vacancy savings of £495k, other non-recurring savings of £4.717m and the use of £3.147m of additional grant funding led to a net underspend for the Division of £5.631m. The use of the additional grant funding also reduced the call on service reserves by £425k and enabled additional payments to be made to independent sector care providers of £424k to support staffing levels over the Christmas period.

5.3.8 Of the £4.717m of non-recurring savings within the Adult Services Division, around £2.034m is due to a reduction in building based day care provision due to the challenges of providing a safe environment with adequate social distancing. A further £1.722m can be attributed to unmet demand for domiciliary care services due to staff shortages across the sector. The remainder of the non-recurring underspend can largely be attributed to a temporary reduction in demand for short-term services due to concerns around the possible transmission of Covid-19.

5.3.9 The £1.217m underspend in Business Support Services is largely due to the additional financial support received in respect of in-house service provision through the WG Covid-19 Hardship Fund, while the £490k underspend in respect of Social Services Transport costs is wholly attributable to the reduction in building based day care provision.

5.4 Economy & Environment (£2.473m Underspend)

5.4.1 The overall net outturn position for the Communities Directorate is an underspend of £2.473m after adjusting for the approved earmarking of reserves.

5.4.2 The Regeneration & Planning Division is reporting an overall net underspend of £703k.

5.4.3 Regeneration is reporting an underspend of £468k, the most significant elements of which relate to an underspend of £280k on salaries and an £80k underspend on the revenue elements of the Caerphilly Enterprise Fund (CEF) grants.

5.4.4 Planning has a net overall underspend of £235k which is primarily due to income budgets being exceeded, combined with in-year salary savings while recruiting to vacant posts.

5.4.5 The Infrastructure Division is reporting a net underspend of £1.514m which is due in the main to additional income and in-year salary savings while recruiting to vacant posts, and an underspend in Winter Maintenance.

5.4.6 The Public Protection Division is reporting an overall underspend of £452k, the most significant elements of which are the following: -

- £60k in Licensing due to delays in filling vacant posts.
- £131k in Enforcement, also largely due to delays in filling vacant posts.
- A Catering underspend of £134k.

5.4.7 The Community & Leisure Division is reporting a net overspend of £155k, including the following: -

- Waste Strategy & Cleansing Operations net underspend of £54k, the most significant elements of which are underspends of £278k for Organic Recycling, £42k for Bulky Waste, £78k on the Revenue Contribution to Capital Outlay (RCCO) budget and £381k on Cleansing. These underspends are offset by overspends of £988k in Dry Recycling and £134k in Civic Amenity Sites due to increased tonnage costs.
- Parks, Countryside and Cemeteries Services net overspend of £130k.
- Leisure Services underspend of £19k, mainly due to a £10k underspend in Community Centres.
- Building Cleaning underspend of £42k due to additional income being generated
- Vehicle Maintenance & Fleet Management overspend of £140k.

5.4.8 There is an overspend of £41k in relation to un-budgeted Directorate corporate costs linked to audit fees and bank charges.

5.5 Corporate Services – (£1.352m Underspend)

5.5.1 The outturn position for the Directorate of Corporate Services is an underspend of £1.352m after adjusting for the agreed earmarking of reserves. The most significant elements of the underspend are the following: -

- Corporate Finance is reporting a net underspend of £437k. A significant element of the underspend relates to one-off funding received from WG for the administration of the Covid-19 NDR Business Grants and Self-Isolation and Winter Fuel Payments. Underspends have also been generated through delays in filling a number of vacant posts.
- Business Improvement Services is reporting an overall net overspend of £136k after taking into account the agreed use of reserves for a Fleet Review Officer and two senior posts in the Transformation Team.
- There is a net underspend of £449k for Customer & Digital Services. This includes underspends of £188k in Information Technology, £157k in Procurement and £104k in Customer Services. The most significant elements of these underspends are delays in appointing to vacant posts, staff not being at the top of pay scales and some secondments to the Track, Trace & Protect (TTP) service.
- For People Services there is a net underspend of £60k.
- Property Services is reporting a net underspend of £272k.
- There is an underspend of £235k on Housing Services, excluding the Housing Revenue Account (HRA).

5.6 Miscellaneous Finance - (£4.479m Underspend)

5.6.1 Budgets in Miscellaneous Finance underspent by £4.479m, the most significant elements of which are the following: -

- £852k underspend on Interest Payments due to delays in borrowing requirements.
- £305k underspend on City Deal borrowing.
- £1.695m balance being written off from the Housing Benefit Subsidy Bad Debt provision.
- £310k on Free School Meals funding held centrally that was not required during the financial year.
- £247k on the Carbon Energy Tax budget.

5.7 Additional Revenue Support Grant (RSG) - £3.540m

5.7.1 In the latter part of the 2021/22 financial year, WG provided additional funding of £60m via the RSG across all Welsh Local Authorities. Caerphilly CBC's element of this additional funding was £3.540m.

5.8 Council Tax Collection – (£1.761m Surplus)

5.8.1 The surplus figure of £1.761m is inclusive of a one-off Council Tax Collection grant received from WG of £878k. This grant has been provided by WG in recognition of the continuing adverse impact that Covid-19 has had on Council Tax collection rates. The actual Council Tax surplus is £883k, which represents a decrease of £167k on the assumed level of £1.050m for the 2021/22 financial year. It is recommended that the £878k WG funding should be set-aside in an earmarked reserve as this will help mitigate the financial impact of a potential further shortfall in collection rates in the

2022/23 financial year.

5.9 Housing Revenue Account (£7.342m Underspend)

5.9.1 The majority of the underspend for the Housing Revenue Account (HRA) is due to the ongoing impact of Covid-19 restrictions meaning that the expenditure levels anticipated could not be reached. However, despite this compliance with the Welsh Housing Quality Standards (WHQS) was achieved by the December 2021 deadline.

5.9.2 HRA Working Balances stood at £14.1m at the start of 2021/22. However, due to the continued restrictions throughout the year, this balance, along with the £7.3m surplus made in year, will be carried forward to assist in funding future HRA commitments, namely increasing housing supply and maintaining the WHQS on our existing properties.

5.10 Impact on the General Fund

5.10.1 The table in Appendix B shows the movements on the General Fund balance from 01 April 2021 to 31 March 2022, along with agreed commitments for 2022/23. The forecast General Fund balance as reported to Council on 24 February 2022 was £14.516m. The updated position is a balance of £26.185m, an increase of £11.669m. The variations to the forecast are as follows: -

	£m
Increased Contribution from Service Areas (including Miscellaneous Finance)	7.246
Additional RSG 2021/22	3.540
2021/22 Council Tax Surplus	0.883
Net Increase: -	11.669

5.10.2 It is recommended by the Head of Financial Services & S151 Officer that the minimum balance on the General Fund should be 3% of the Council's net revenue budget, which equates to £11.852m for the 2022/23 financial year. This results in a surplus General Fund balance of £14.333m being available to support the Council in the delivery of its strategic priorities. Cabinet is therefore asked to endorse a recommendation to Council that the General Fund balance is maintained at £11.852m, with the surplus balance being set aside for the following purposes: -

Description	Amount £m
In-year impact of 2022/23 Pay Awards	6.860
Cost of Living Hardship Fund	3.000
Cost of Living Crisis Contingency	2.098
Home to School/College Transport	0.460
Wi-Fi Infrastructure Review	0.100
Heolddu Leisure Centre Fitness Equipment	0.100
Emporium Car Park Repairs	0.100
Highway Inspections (Covid-19 Backlog)	0.120
External Asbestos Surveys	0.100
Modern Patch Management Tool	0.100
Cloud Migrations	0.500
Canal Refurbishment	0.200
Additional RSG (EV's/Driving Lessons)	0.595
Total: -	14.333

- 5.10.3 **In-year impact of 2022/23 Pay Awards** – The latest pay offer for National Joint Council (NJC) staff and Chief Officers is an increase of £1,925 on all pay points from April 2022, with teachers pay being increased by 5% from September 2022. This results in an additional funding requirement of £6.860m for the current financial year. This position will be reviewed again once the pay awards have been finalised, and the confirmed increases will also need to be factored into the budget setting process for the 2023/24 financial year.
- 5.10.4 **Cost of Living Hardship Fund** – The Consumer Prices Index (CPI) inflation rate is currently 9.9% and some analysts predict that this could reach 20% as we enter 2023. Energy prices are rising at the fastest rate in living memory, with the average household likely to spend over £1000 on energy bills between now and the end of the year. Despite promises to limit the rise in the energy cap there is no doubt that many people will be unable to find the money for these increases and will face some hugely difficult choices when trying to care for themselves and their families as the winter progresses.
- 5.10.5 Cabinet will consider a separate report on today’s agenda that sets out details of a range of potential responses to the cost of living crisis, but implementation will require additional investment to be identified. It is therefore proposed that £3m is set aside to create a Cost of Living Hardship Fund to support a range of initiatives that will assist our communities.
- 5.10.6 **Cost of Living Crisis Contingency** – The cost of living crisis is impacting on council budgets with financial pressures being experienced across all areas, in particular energy, fuel, food and drink, and construction/contractor costs. The 2022/23 budget was set on the basis that non-pay inflation would be circa 4% but since the budget was approved in February 2022 we now face significant financial challenges. Budgets will be kept under close review as we progress through the financial year, but it is considered prudent to set aside a cost of living crisis contingency to assist anticipated budgetary pressures.
- 5.10.7 **Home to School/College Transport** - The earmarking of £460k for Home to School / College Transport results from a procurement exercise to renew contracts on 98 bus routes. The previous contracts were awarded in 2017. The contract period for each of the routes is 3 years with an option to extend for a further 2 years. It is important to point out that the £460k relates to the period September 2022 to March 2023 only, with the costs over a full financial year being estimated at £689k (circa £230k a school term). The last 2 years have been particularly challenging in the transport field due to the impact of Covid-19 on the sector and this is now exacerbated by the cost of living crisis.
- 5.10.8 **Wi-Fi Infrastructure Review** – The proposed £100k will be used to review the corporate and schools’ network to ensure that it is still fit for purpose. The existing infrastructure is still very much a traditional design and has not evolved over the years with the latest technologies. Following the Edtech project, an independent review and health check of the school’s network is also required to ensure that it is robust for future years expansion.
- 5.10.9 **Heolddu Leisure Centre Fitness Equipment** – The proposed £100k investment will be used to update the fitness equipment at Heolddu Leisure Centre with new, state of the art kit that will significantly improve and enhance the facility, along with supporting an increase in usage and income.

- 5.10.10 **Emporium Car Park Repairs** – The proposed £100k funding will be used to Investigate, design and repair an existing masonry retaining wall/planter located in the south-western corner of the car park, rectify sub-structure issues/defects and resurface the macadam area of the car park.
- 5.10.11 **Highway Inspections (Covid-19 Backlog)** - Additional inspections have been required to assess potential damage caused by storm Dennis but this was impacted by Covid-19. There is still a backlog of inspections which requires additional funding for 2022/23.
- 5.10.12 **External Asbestos Surveys** - A number of new asbestos management surveys are required due to the age and extent of building changes since the original asbestos surveys were completed. These surveys will ensure the correct management of asbestos containing materials and will also ensure that the local asbestos management plan is updated. Due to the time commitment involved in undertaking these surveys and the limited resources in the Asbestos Team, it is recommended that the surveys are contracted out to a competent asbestos surveying company on the current procurement asbestos framework.
- 5.10.13 **Modern Patch Management Tool** – This will support the Council in keeping abreast of the "Cyber Security" agenda through the purchasing of "tools" to ensure we have a fully "patched" network and solutions.
- 5.10.14 **Cloud Migrations** – The £500k will be used to fund the initial one-off costs associated with Cloud migrations and the purchase of software as a service for critical I.T. systems. These costs include initial set-up costs and professional support along with the first year's additional maintenance costs. Ongoing revenue impacts will be incorporated into the annual budget setting process.
- 5.10.15 **Canal Refurbishment** - Funding has previously been required to undertake essential works on the canal and repair a leak caused during storm damage with the costs reaching over £2m. Inspections of the canal continue monthly and further repairs have been identified for 2022/23. There is also a desire to open up the canal to leisure boats which will require works to clear the channel.
- 5.10.16 **Additional RSG (EV's/Driving Lessons)** – As mentioned in paragraph 5.7.1, in the latter part of the 2021/22 financial year WG provided additional funding of £60m via the RSG across all Welsh Local Authorities. Caerphilly CBC's element of this additional funding was £3.540m. The RSG is un-hypothecated, but WG indicated that a specific proportion of this additional funding should be earmarked to provide driving lessons and electric vehicles for domiciliary care workers in order to attract more staff into the profession. Therefore, it is proposed that £595k of the additional revenue support grant allocated for Caerphilly CBC for 2021/22 is appropriated into an earmarked reserve for future use once a firm plan has been developed to optimise the impact of this one-off funding.
- 5.10.17 At its meeting on 27 July 2022, Cabinet agreed a regional proposal to provide additional time limited funding support to the externally commissioned domiciliary care market providers, due to the recruitment and retention pressures they are facing linked to the cost-of-living crisis, in particular the current impact of increasing fuel prices.
- 5.10.18 The regional proposal was to increase the current commissioned hourly rate to providers by £1 per hour from 01 August 2022 for a period of 6 months on the understanding that this is passed on to staff. The cost for Caerphilly CBC is £215k and

Cabinet initially agreed that this would be funded from Social Services reserves. However, WG has since confirmed that the cost can be funded from the element of additional RSG in 2021/22 ring-fenced to provide driving lessons and electric vehicles for domiciliary care workers. It is therefore proposed that the £215k cost is now met from the additional RSG and not from Social Services reserves.

5.11 General Usable Service Reserves

5.11.1 As outlined in paragraph 5.1.5, after adjusting for earmarked reserves 50% of underspends are carried forward by Directorates and are available to meet the requirements of these service areas in subsequent financial years. The table below provides a summary of the reserves arising from cumulative Directorate underspends along with projected balances after taking account of the approved use of reserves in 2021/22, and the current approved use of reserves for 2022/23: -

Service Area	Opening Balance (01/04/21) £m	In-Year Movement 2021/22 £m	Closing Balance (31/03/22) £m	Approved Use Of Reserves £m	Current Balance £m
Education & Lifelong Learning	1.517	(0.443)	1.074	(0.395)	0.679
Social Services	3.413	1.983	5.396	(0.568)	4.828
Economy & Environment	0.623	0.554	1.177	(0.822)	0.355
Corporate Services	1.734	(0.510)	1.224	(0.629)	0.595
Totals: -	7.287	1.584	8.871	(2.414)	6.457

5.11.2 Cabinet will note that approval has already been given in the 2022/23 financial year for the use of service reserves totalling £2.414m as follows: -

- Education & Lifelong Learning £395k.
- Social Services £568k.
- Economy & Environment £822k.
- Corporate Services £629k.

5.11.3 Details of the £2.414m use of service reserves are provided in Appendix C. The individual proposals all have a value below £100k and can therefore be agreed by Directors in consultation with the Head of Financial Services & S151 Officer using delegated powers. Details are included in this report for noting by Cabinet.

5.11.4 Cabinet is asked to consider and approve further proposals for the use of service reserves with individual values in excess of £100k, for the following purposes: -

Description	Amount £m
Education & Lifelong Learning	
- Adult Education - Displaced expenditure in 2021/22 due to grant funding	0.197
- Use of Drones for detailed surveys of school buildings	0.118
- School condition surveys over 2 year period	0.120
- Replacement of Licences for School Servers	0.110
Social Service	

- Employment of supernumerary staff in Residential Homes for Children	0.550
- Upgrade of Home Care monitoring system	0.200
- Temporary additional capacity in Mental Health Teams	0.240
- Extension of services currently funded from reserves to 31/03/24	1.561
Economy & Environment	
- Purchase of 2 Trailers (Waste)	0.125
- Software upgrade (Public Protection)	0.115
Corporate Services	
- Private Sector Housing fixed-term staffing capacity	0.162
Total: -	3.498

- 5.11.5 **Adult Education - Displaced expenditure in 2021/22 due to grant funding** - This will support investment in the service area that the funding was initially provided for (as per paragraph 5.2.10).
- 5.11.6 **Use of Drones for detailed surveys of school buildings** – This will enable detailed surveys to be undertaken utilising existing contracts.
- 5.11.7 **School condition surveys over 2 year period** – This will enable a range of surveys to be undertaken across a number of schools.
- 5.11.8 **Replacement of Licences for School Servers** – This will enable a number of software licences to be renewed for the schools Ed Tech Programme.
- 5.11.9 **Employment of supernumerary staff in Residential Homes for Children** – Additional staff are in the process of being recruited in residential homes for children pending the opening of additional facilities. This will ensure that staff are in post and ready to transfer to new facilities once they become operational.
- 5.11.10 **Upgrade of Home Care monitoring system** – The proposed funding will enable the upgrade of the Home Care monitoring system from CACI to Cygnum and will also extend use to Day Services.
- 5.11.11 **Temporary additional capacity in Mental Health Teams** – Investment in temporary additional capacity within Community Mental Health Teams as part of the Covid-19 recovery (2 Grade 10 posts for 2 years).
- 5.11.12 **Extension of services currently funded from reserves to 31/03/24** – A number of services within the Social Services Directorate are funded on a fixed-term basis from service reserves. It is proposed to allocate a further £1.561m from Social Services reserves to allow these fixed-term arrangements to be extended to 31/03/24.
- 5.11.13 **Purchase of 2 Trailers (Waste)** - Since the commencement of the Prosiect Gwyrdd contract the Authority has transported residual waste from Full Moon Transfer Station, Cross Keys to Trident Park, Cardiff. WG funding has previously been sought to fund a replacement tractor unit but to continue to undertake the haulage in-house, the trailers themselves now need replacing. The funding will be used to procure 2 replacement trailers.

5.11.14 **Software Upgrade (Public Protection)** – The Public Protection Division needs to move from their existing version of the Civica APP database to the new version of Civica CX as the current version will be discontinued in the near future. The proposed £115k will be used to meet one-off costs with the ongoing revenue implications being met through existing budgets.

5.11.15 **Private Sector Housing Fixed-term staffing capacity** – The proposed £162k will allow for additional fixed-term staffing capacity to meet demands on this service area.

5.12 Conclusion

5.12.1 Despite the ongoing significant challenges presented by the Covid-19 pandemic the Council's financial position has been well managed during the 2021/22 financial year. The significant financial support provided by WG has been vital to maintain financial resilience, albeit that support through the Covid-19 Hardship Fund ceased on 31 March 2022. This presents a significant financial risk which has been exacerbated by the cost of living crisis. Budgets will be closely monitored throughout the 2022/23 financial year and the medium to longer-term impacts will be considered as part of the forthcoming budget setting process.

6. ASSUMPTIONS

6.1 There are no assumptions within this report.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

7.1 The 2021/22 revenue budget outturn position does not require an integrated impact assessment to be completed as it is a statement of fact and is reported for information only.

7.2 A number of the proposals for the use of the surplus General Fund balance and service reserves are directly linked to approved key strategies and initiatives that have previously been the subject of detailed reports that would have considered equalities implications, links to well-being objectives etc.

7.3 Many of the other proposals for the use of balances are of an operational nature and do not require integrated impact assessments to be completed.

7.4 The specific details of how some of the sums set-aside will be utilised is yet to be determined. Once this has been established integrated impact assessments will be completed where required.

8. FINANCIAL IMPLICATIONS

8.1 As detailed throughout the report.

9. PERSONNEL IMPLICATIONS

9.1 There are no direct personnel implications arising from this report other than the proposals to fund additional fixed-term posts in specific areas.

10. CONSULTATIONS

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

11. STATUTORY POWER

11.1 Local Government Act 1972.

Author: Stephen Harris – Head of Financial Services & S151 Officer
Tel: 01443 863066 E-mail: harrisr@caerphilly.gov.uk

Consultees: Christina Harray, Chief Executive
(Email: harrhc@caerphilly.gov.uk)
Richard Edmunds, Corporate Director for Education & Corporate Services
(Email: edmunre@caerphilly.gov.uk)
Dave Street, Corporate Director for Social Services & Housing
(Email: streetd@caerphilly.gov.uk)
Mark S Williams, Corporate Director for Economy & Environment
(Email: willims@caerphilly.gov.uk)
Robert Tranter, Head of Legal Services & Monitoring Officer
(Email: trantrj@caerphilly.gov.uk)
Andrew Southcombe, Finance Manager, Corporate Finance
(Email: southak@caerphilly.gov.uk)
David Roberts, Interim Finance Manager, Corporate Services & Communities
(Email: roberda@caerphilly.gov.uk)
Jane Southcombe, Finance Manager, Education & Lifelong Learning
(Email: southj@caerphilly.gov.uk)
Mike Jones, Financial Services Manager, Social Services
(Email: jonesmj@caerphilly.gov.uk)
Lesley Allen, Principal Group Accountant, Housing
(Email: allenl@caerphilly.gov.uk)
Cllr Eluned Stenner, Cabinet Member for Finance and Performance
(Email: stenne@caerphilly.gov.uk)

Background Papers:

Appendices:

Appendix A - Provisional Outturn Summary 2021/22

Appendix B - Movement on General Fund

Appendix C – Use of Service Reserves Approved by Officers Using Delegated Powers

PROVISIONAL OUTTURN 2021/22**SUMMARY**

SERVICE AREA	UNDERSPEND (OVERSPEND) £m	TAKE TO GENERAL FUND £m
Education & Lifelong Learning	1.902	0.951
Social Services	9.043	4.522
Economy & Environment	2.473	1.137
Corporate Services	1.352	0.676
Miscellaneous Finance	4.479	4.479
Additional RSG 2021/22	3.540	3.540
Council Tax Surplus	1.761	0.883
TOTALS	24.550	16.188

OTHER	UNDERSPEND (OVERSPEND) £m	TAKE TO GENERAL FUND £m
Housing Revenue Account (HRA)	7.342	N/A
Schools	5.923	N/A
OVERALL TOTAL SURPLUS	37.815	16.188

Service area surpluses are subject to a 50% take to General Fund balances after specific agreed earmarking of funds.

Council Tax surpluses are transferred in total to General Fund balances.

School and HRA balances must be ring-fenced to those service areas.

APPENDIX B

MOVEMENT ON GENERAL FUND

	£m	£m
Opening Balance 01/04/2021		21.312
Use of Funds as Previously Agreed by Council: -		
Budget Strategy Contribution 2021/22	(1.050)	
Ash Die Back - Parks	(0.750)	
Covid19 Reserve TopUp (£3.5m)	(1.042)	
Digital Transformation	(1.481)	
I.T. Support for the Transformation Programme	(0.500)	
Local Development Plan (LDP)	(0.134)	
Lawns and Ty Du (cost overruns)	(0.262)	
Targeted Rate Relief	(0.225)	
Community Coordinators	(0.227)	
Cleaning & Greening	(1.000)	
Decarbonisation Strategy	(0.500)	
Regeneration Project Board	(1.000)	
Licence to Innovate	(0.200)	
Apprenticeship/Graduate Scheme	(0.500)	
Newbridge Leisure Centre Fitness Equipment	(0.200)	
Equipment for Fleet and Vehicle Maintenance	(0.210)	
Bedwas Leisure Centre – Replacement of ATP with 3G	(0.235)	
In-year impact of Pay Awards at 1.75%	(0.749)	
Total Funds Taken In-Year		(10.265)
Funds Transferred into General Fund: -		
Education & Lifelong Learning – 50% Directorate Underspend	0.951	
Social Services - 50% Directorate Underspend	4.522	
Communities - 50% Directorate Underspend	1.137	
Corporate Services - 50% Directorate Underspend	0.676	
Miscellaneous Finance	4.479	
Additional RSG 2021/22	3.540	
Council Tax Surplus 2021/22	0.883	
Total General Fund Contribution 2021/22		16.188
Closing Balance 31/03/2022		27.235
2022-23 Commitments Previously Agreed by Council: -		
Budget Strategy Contribution 2022-23		(1.050)
Current General Fund Balance		26.185

APPENDIX C

Use of Reserves Approved by Officers Using Delegated Powers

Education & Lifelong Learning: -	£
Rhymney Library Development - Additional match funding contribution	25,000
Schools Guest Wifi.	42,000
Grade 3 fixed-term post in Education Finance Team for 18 months to support increasing volume of orders, payments and purchase card transactions.	41,000
School Improvement - Additional funding to support schools causing concern.	50,000
Grade 9 fixed-term post for 12 months to support poverty related issues.	48,000
Energy Meters in Primary School Kitchens.	50,000
Cruyff Special Court (Trinity Fields) - Match funding contribution.	45,000
Taxi Contracts - To fund agreed uplifts for the period from September 2022 to March 2023.	94,000
Sub-Total	395,000
Social Services: -	
Extra management capacity across residential homes for older people for 2 years in response to new responsibilities for registration of staff.	90,000
Part funding of a Grade 10 Autism Lead Officer for 2 years.	75,000
Replacement of ageing laptops.	80,000
Increase capacity of the Islwyn Catering day opportunities scheme.	80,000
Refurbishment of family contact areas at Social Services main office sites.	50,000
Redecoration of Ty Hapus Respite Home for children with disabilities.	5,000
Extension of patio area at Brondeg day care facility in order to make outdoor space more accessible.	10,000
Refurbishment of flat at Clos Tir y Pwll Supported Living Home.	10,000
Purchase and equipping of a porta-cabin to be sited at the Social Services offices at Mill Road, Caerphilly.	30,000
Improvements to decked area at Islwyn Park day opportunities scheme.	50,000
Replacement of obsolete mobile phone devices across HART and Community Day Services.	30,000
Engagement of voluntary sector organisations in a review of day service provision for vulnerable adults.	20,000
Co-production of a model for day services with key stakeholders based on 'Care Closer to Home' principles.	37,800
Sub-Total	567,800
Communities: -	
Urgent signal maintenance work - Due to contractor resource availability these works have had to be completed in 2022/23, these include post replacements, recabling and a condition assessment for the AMP.	40,000
Building Cleaning - Additional costs for schools based cleaning.	41,000
Kennelling Costs - Trading Standards have been engaged in a prosecution in relation to unlicensed dog breeding and serious animal welfare breaches, which required the kennelling and veterinary care of over 50 dogs. The costs will be pursued via the legal process, but there is no guarantee of when and if the monies will be recovered.	96,000

Purchase of 4G CCTV cameras.	24,000
Training - The Trading Standards Service has experienced the loss of staff within the past 2 years due to retirements. Two new staff have been employed, both of which are new to the Trading Standards Service. The two new officers need training not only to be able to fulfil their duties, but also to fill knowledge and expertise gaps that will occur in the near future due to the age of existing staff. Both new officers therefore are required to study for the professional statutory qualification. The current training budget is inadequate to cover this training requirement.	22,000
Maintenance and repairs to Blackwood Bus Station - Works identified towards the end of 2021/22 but resource availability could not be procured in time to undertake during the last financial year.	50,000
Connect 2 Replacement Bus - Purchase of a second hand bus via SFS contract to maintain a three vehicle fleet.	55,000
A469 Llanbradach Bypass - Installation of replacement road studs that could not be undertaken in 2021/22 due to delays with material supplies and contractor resource availability.	57,000
Gum Removal and Deep Cleansing Machine - To add resilience in the cleansing of our town centres or areas of significant pedestrian usage with a specifically designed item of plant to tackle the nuisance of chewing gum on footways etc.	70,000
3 additional fixed-term drivers to maintain waste collections - To cover additionality in workforce for 2022/23 due to continued Covid-19 absences whilst attempting to maintain full waste stream service provision.	96,750
Cwmcarn Footbridge and Steps - To fund the costs associated with the remediation of the steps and bridge leading to Cwmcarn Visitor Centre.	85,000
Cwmcarn Tree Felling - There are infected ash trees alongside the public highway at Cwmcarn Forest Drive that have to be removed due to ash die back.	60,000
Community Enterprise Fund (CEF) - 2021/22 revenue underspend to be earmarked for capital in 2022/23 to enable CEF grant support for businesses, including energy efficiency measures to support the cost of living crisis cost pressures.	80,000
Events - Little Cheese Festival.	45,000
Sub-Total	821,750
Corporate Services: -	
Gamma system managed service for telecoms provision.	47,000
Codebase 8 Contract Extension - Support and professional services to facilitate changes to existing processes and to help upskill 2 members of our staff.	30,000
Windows O365 Licences for Servers.	44,000
Learning Domain Security Review - To ensure operating systems are fit-for-purpose and secure.	50,000
Server and storage costs.	53,000
Funding to facilitate the roll-out of call recording systems for Council Tax and Housing Benefit staff.	30,000
Grade 5 Ledger Assistant fixed-term post for 12 months to assist with workload pressures in the Team.	31,000
2 Grade 5 fixed-term posts to help reduce the backlog of Council Tax and NNDR work that has arisen due to staff processing Covid-19 grant and Cost of Living Crisis Support payments.	66,000

Council Tax Team - In-year cost of regrading 3 staff from Grade 3 to Grade 5 to meet service needs.	68,752
One-off funding to support recruitment activity across the Council.	30,000
Fixed-term Welsh Translator for People Services - To provide professional support as we move to a fully Welsh recruitment website.	40,000
Communication Team - Temporary funding for changes to staffing structure.	33,000
Management & Development training.	50,000
Back-dated costs to support the Job Evaluation process.	56,500
Sub-Total	629,252
Overall Total: -	2,413,802

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CABINET – 26TH SEPTEMBER 2022

SUBJECT: BRYN CARNO

REPORT BY: CORPORATE DIRECTOR OF SOCIAL SERVICES AND HOUSING

1. PURPOSE OF REPORT

- 1.1 To inform members of the current progress with securing funding for the failed external wall insulation scheme on 86 properties at the Bryn Carno estate Rhymney. Caerphilly Homes submitted a refinancing grant funding business case to Welsh Government in February 2022. Cabinet is asked to agree the match funding that Caerphilly will contribute towards the project costs from the Housing Revenue Account (HRA).

2. SUMMARY

- 2.1 In 2012 the Welsh Government funded ARBED 1 scheme approved an application submitted by United Welsh Housing Association, in agreement with Caerphilly CBC for energy saving external wall insulation (EWI) to be installed at Bryn Carno in Rhymney. This project was managed by United Welsh Housing Association as the Government agent for the ARBED 1 scheme and completed in early 2013.
- 2.2 Between 2016 and 2018 it became apparent that the EWI was defective exhibiting significant signs of water ingress and penetrating damp in the homes of the private owners, leaseholders and the Caerphilly Homes properties, which were part of the scheme.
- 2.3 Welsh Government were engaged regarding a resolution to the failed scheme and an investigation and report into the failed insulation was commissioned. This concluded that there should be a replacement scheme delivered to remedy the inherent design weaknesses of the scheme and aspects of poor workmanship and reinsulate the homes. This would ensure the original objective of energy saving was achieved, particularly important now that so many households face fuel poverty in the coming months and years.
- 2.4 After many months of debate about who was responsible and who should take forward the replacement scheme, as Caerphilly Homes owns 36 of the 86 properties, has detailed knowledge of this estate and a good relationship with the residents, it was proposed that Caerphilly Homes undertake a tenure neutral scheme which includes all properties within Bryn Carno.

- 2.5 Welsh Government wrote to the Council and the local MP outlining that in principle they will part fund the replacement scheme agreeing an in principle award of £1.05million pending further details, and have requested that a detailed five case business model is submitted to set out the funding required and how the scheme will be delivered.
- 2.6 The business case has been submitted and Caerphilly Homes have met Welsh Government to discuss their initial feedback. Amendments were made following this feedback and a revised business plan was submitted. Caerphilly Homes are now awaiting the final outcome of this five-case business plan bid for funding.
- 2.7 Caerphilly are committed to contributing to this remediation project, due to the significant impact of the failed EWI for tenants and residents and our housing stock, even though not responsible for the design and scheme management of the original project and therefore, along with Welsh Government, are seeking funding to remedy the situation within our stock.

3. RECOMMENDATIONS

- 3.1 That cabinet note the business plan grant funding bid to Welsh Government.
- 3.2 Approve the revised scheme, costs, delivery timeline and match funding contribution from the Housing Revenue Account (HRA) in respect of Council owned properties, to deliver the tenure neutral scheme by Caerphilly Homes.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 The failed EWI is having a significant impact on both the properties and residents, so the remediation works are essential to protect the health and wellbeing of residents and to secure the future integrity of the housing stock. Caerphilly Homes are best placed to deliver this scheme, procure the specialist advice and contractors to deliver the project for all the properties affected across the estate.
- 4.2 The increased cost assumptions are based on our current knowledge of the market and on the Curtin's report that was commissioned by Caerphilly Homes following the investigation by Welsh Government. The final figures were also discussed in communication with Welsh Government after their initial review panel findings were fed back to officers, therefore we are confident these will be supported.
- 4.3 If awarded the funding bid in full the Caerphilly match funding contribution will come from the HRA and solely contribute towards the Caerphilly Homes properties.

5. THE REPORT

Background

- 5.1 In the early 2000's, whilst Rhymney was a designated Renewal Area, the properties in Bryn Carno estate benefitted from a group repair scheme whereby the properties in private ownership were offered financial assistance to renew their main roofs and re-line the Finlock gutters. The Council owned properties, under a planned maintenance programme funded by the HRA, also benefitted from roof renewal, window replacement and gutter re-lining.

- 5.2 During November 2012, United Welsh Housing Association, the scheme managers for Welsh Government scheme ARBED 1, sought areas within the Caerphilly County Borough that would benefit from energy saving measures such as external wall insulation (EWI). Bryn Carno estate was identified as one which would benefit, and the subsequent ARBED funding bid was successful, on condition that the scheme of works was completed by the end of March 2013. The EWI systems, using a Rockwool product, were installed to private and Caerphilly Homes' properties between January and March 2013 during periods of cold and wet weather using six different contractors.
- 5.3 During 2016, complaints were received from several residents and the local ward member that the render coat to several properties had started to de-laminate, flake and come away from base coat. Meetings were held between Caerphilly County Borough Council, United Welsh, and Rockwool to consider why the EWI had failed and possible rectification measures.
- 5.4 As Welsh Government had part funded ARBED, it was brought to their attention to establish a way forward. Welsh Government decided that all parties involved in the project needed to collaborate to determine how and why the EWI system had failed and establish a solution, following which, in March 2021 Curtin's were engaged by Caerphilly County Borough Council.
- 5.5 The Curtin's report identified several issues that contributed to the delamination of the EWI system, such as lack of a perforated base channel, the Finlock gutters and not extending the rooflines which would have provided additional protection to the EWI rather than relying on finishing trims and sealants. To ensure both existing moisture and future water ingress are eliminated from the EWI system, it has been recommended that the defective EWI systems are removed in their entirety, along with the existing Finlock gutters, to be replaced with new rainwater goods and EWI system respectively.
- 5.6 Following the report it was concluded that, in total, 68 houses would require comprehensive EWI replacement scheme along with 14 bungalows, with a further 4 properties potentially requiring a first EWI installation and associated works. The 36 Caerphilly Homes properties all require EWI replacement.

Delivery

- 5.7 As Caerphilly Homes owns a significant proportion of the properties in Bryn Carno, has detailed knowledge of this estate and has a good relationship with the residents, it is proposed that Caerphilly Homes undertake a tenure neutral scheme which includes all properties within Bryn Carno.
- 5.8 The scheme will be run by the Council's in-house grant agency service, which would run the project in its entirety, including production of the tenders, selection of contractors, and oversight and supervision of the works to ensure works are carried out to an acceptable standard, and in line with technical guidance and specifications. A fee of 15% of the cost of works for this service has been included in the business case submission.
- 5.9 The scheme will be delivered in accordance with PAS2035, a specification for whole house or whole building retrofit. This is an approach to the installation of energy efficiency measures (EEMs) which considers the requirement of the entire building, both from a technical standpoint and considering factors like occupancy comfort.

- 5.10 It is recognised that costs are fluctuating significantly due to shortages and escalating costs of building materials and the limited availability of suitable contractors. The cost of procuring a specialist retrofit consultancy will be assumed within the shared service arrangement that the HRA pays for with regards to a corporate procurement function.
- 5.11 It was originally anticipated that the scheme could be delivered over two financial years. As the works to the properties were not possible in the wetter colder autumn and winter months, works would need to be carried out in the warmer summer months. The delay to decision making from when the original business case was submitted means that the final iteration of the business case has requested the funding to be drawn down over three financial years.
- 5.12 Expenditure is now proposed to commence draw down in October 2022 and complete in September 2024. Any longer delay in decision making or additional consideration required by Caerphilly could see this funding timeline extend beyond this planned completion date.

Funding Bid

- 5.13 Caerphilly County Borough Council were asked by Welsh Government to submit a five-case business plan setting out the strategic, economic, commercial, financial and management cases for funding.
- 5.14 Caerphilly Homes submitted the case in February 2022 seeking funding of £1,876,000 for the remediation of the privately owned properties in anticipation of the need to renew the roofs of the properties to satisfactorily complete the project. The bid also included a sum to procure a specialist retrofit consultant in accordance with PAS2035.
- 5.15 Whilst funding of £632,700 will be made available by Caerphilly Homes through the Housing Revenue Account for associated works to the council owned properties significant additional funding is required to fund the EWI replacement to the council properties. Funding of £590,100 is therefore also being sought for the replacement of the EWI to the Council owned properties and the associated internal remediation works from Welsh Government.
- 5.16 These estimated costs remain subject to change as the scheme is yet to be subject to a comprehensive tendering exercise and the market remains volatile. An assumed contingency of approximately 20% is included within the costs for this project which is part of the financial risk mitigation given the significant increase in materials and labour costs that the building industry has experienced in recent years.
- 5.17 Although we still need to tender for these works, our benchmarking information on materials from Caerphilly Homes single source supply partner have provided for us some accurate up to date market intelligence. This has enabled us to be confident that although far higher than last year we have a good estimate of the price for the works required.
- 5.18 **Bid summary**
- Total scheme cost £3,098,800
 - Caerphilly Homes properties - £1,222,800
 - Private properties - £1,876,000

- Claim from WG - £2,466,100
- Council contribution from HRA - £632,700

5.19 Currently the final business case submitted to Welsh Government is being considered and we wait their final review. The Caerphilly Homes team have had positive discussion through the assessment process to date, with WG acknowledging current volatility in markets when estimating costs and are confident there will be a positive response.

6. Conclusion

6.1 The failed EWI is having a significant impact on both the properties and residents so the proposed remediation works are essential to protect the health and wellbeing of residents and to ensure the integrity of the housing stock. Caerphilly Homes is best placed to procure and carry out the works for this project given the history and knowledge of the estate and the management of a large proportion of the estate.

6.2 Welsh Government have been positive in their feedback and communication to date on the business case for grant submission. They have also acknowledged the time of year when these works need to be completed and given a delayed decision making, the extension into a third year has been acknowledged in principle.

6.3 Ultimately, if the bid for funding cannot be supported in full the HRA will need to review the current capacity and make a further decision as to the extent of any further contribution to ensure that these properties have the energy saving and fuel cost saving insulation works that they were promised some years ago.

7. ASSUMPTIONS

7.1 These estimated assumed costs remain subject to change as the scheme is yet to be subject to a comprehensive tendering exercise and the market remains volatile. An assumed contingency of approximately 20% within the costs for this project which is part of our financial risk mitigation.

7.2 It is assumed in advance of any consultation with the private owners that they will be willing to have these works carried out to their properties. If they don't then some of the works could be compromised as properties are semi-detached.

7.3 An assumed fee of 15% of the cost of works for this service has been included in the business case submission for the in-house grant agency team that will project manage the full process, similar to the private sector grant and loans for works carried by the Private Sector Housing Team and some Caerphilly Homes planned maintenance work.

7.4 Although the bid is pre-tender for these works, benchmarking information on materials from Caerphilly Homes' single source supplier partner have provided for us some accurate up to date market intelligence. This has enabled us to be confident that although far higher than last year we have a good estimate of the price for the works required.

7.5 Should there be any further cost overrun with either the private or public element of the scheme going forward once we have an award letter from WG the council will commit to covering cost overruns from the contingency. Only in the instance that

costs increase beyond all benchmark trends analysis will a conversation be had with WG on additional funding for the project.

8. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 8.1 There was a specific request to bid to Welsh Government for funding and the strategic case and impact is specific to the residents within the Bryn Carno estate therefore no wider IIA has been required for this project.
- 8.2 As the report proposes that 100% assistance be offered with no post completion conditions imposed regarding repayment an Integrated Impact Assessment is not required.
- 8.3 If the proposal is approved a comprehensive engagement exercise will be undertaken with the residents of Bryn Carno regarding the proposals, and consent sought from the individual private owners to proceed with the proposed scheme of works.

9. FINANCIAL IMPLICATIONS

- 9.1 The financial implications of this business case grant submission to the council and namely the ringfenced Housing Revenue Account have been articulated within the paper.
- 9.2 The total scheme cost is currently £3,098,800 with an estimated contribution from the HRA of £632,700. Given discussions have been ongoing for some time the HRA has currently already allowed for this contribution in its capital budget.

10. PERSONNEL IMPLICATIONS

- 10.1 There are no implications here as the project will be managed by the existing Caerphilly Homes team.

11. CONSULTATIONS

- 11.1 All consultee responses have been reflected in this report.

12. STATUTORY POWER

- 12.1 N/A

Author: Nick Taylor-Williams, Head of Housing, Email: taylon1@caerphilly.gov.uk

Consultees: Cllr Sean Morgan - Leader of Council
Cllr James Pritchard - Deputy Leader of Council
Cllr Shayne Cook - Cabinet Member for Housing
Cllr Andrew Whitcombe - Chair Housing & Regeneration Scrutiny Committee
Cllr Patricia Cook - Vice Chair Housing & Regeneration Scrutiny Committee

Cllr Carl Cuss	- Local Ward Member
Christina Harrhy	- Chief Executive
Dave Street	- Corporate Director Social Services & Housing
Mark S Williams	- Corporate Director Environment and Economy
Richard Edmunds	- Corporate Director of Education and Corporate Services
Robert Tranter	- Head of Legal Services & Monitoring Officer
Stephen R Harris	- Head of Financial Services & S151 Officer
Lesley Allen	- Principal Group Accountant - Housing
Fiona Wilkins	- Housing Service Manager
Claire Davies	- Private Sector Housing Manager
Alan Edmunds	- PAMS Manager

Appendices:

Background

Papers: Bryn Carno Business Case Grant Funding Submission (not for publication)

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CABINET – 26TH SEPTEMBER 2022

SUBJECT: TRANSITIONAL ACCOMMODATION CAPITAL PROGRAMME

REPORT BY: CORPORATE DIRECTOR OF SOCIAL SERVICES AND HOUSING

1. PURPOSE OF REPORT

- 1.1 To inform members of the new Transitional Accommodation Capital Programme (TACP) which provides funding to deliver the ambition of the new draft Transitional Accommodation Strategy set out by Welsh Government.
- 1.2 To set out the projects and schemes which formed the bid to Welsh Government for the TACP by Caerphilly Homes and to acknowledge and agree the level of contribution from the Housing Revenue Account (HRA) towards the delivery of the transitional accommodation increasing the Caerphilly Homes housing stock.
- 1.3 To seek approval of a delegation to the Corporate Director of Social Services & Housing and the Head of Financial Services/S151 Officer in consultation with the lead Cabinet Member for Housing. This will ensure that as Welsh Government evolve the TACP and their strategy, Caerphilly Homes can be fleet of foot and make quick decisions to expedite delivery and act on market opportunities.

2. SUMMARY

- 2.1 The Welsh Government, working in partnership with local authorities, Registered Social Landlords, the third sector and with key partners in the private sector, has successfully helped thousands of people into temporary accommodation over the course of the last two and a half years. They have worked with partners through the pandemic and humanitarian crises to ensure accommodation is available for all those in need, including working with the Wales Strategic Management Partnership (WSMP) to ensure a rights based approach to the inclusion of asylum seekers, refugees and migrants in Wales.
- 2.2 The priority is now to provide transitional accommodation opportunities to enable people to move from temporary accommodation including welcome centres and other short-term accommodation, meeting population allocation guidelines, while continuing to meet existing housing need within local authority areas.
- 2.3 The strategic objective for the Transitional Accommodation Strategy is to provide good quality transitional homes for all individuals facing homelessness, through whatever route, recognising that these homes should provide a solid basis for people to 'get on with their lives', support development or extension of cohesive, balanced

communities, provide for access to services and plan for longer term homes for residents within those communities.

- 2.4 The TACP is currently a £65m fund with future budgets to be agreed as Welsh Government plans evolve. This is not at the expense of the existing funding streams such as Social Housing Grant, Empty Property grants and loans and Regeneration funding, it is to complement these existing funds, which all look to increase the supply of affordable housing.
- 2.5 The programme was established in April 22 in response to the need to deliver homes at pace, designed to be complete within 18 months and will support work delivered through existing Local Authority and Registered Social Landlord (RSL) partnerships. The scheme can fund work on voids, bringing public and private empty homes back into use, acquisitions, remodelling and repurposing existing properties /accommodation and offices, and the use of modular homes on a temporary basis or semi-permanent basis.
- 2.6 Caerphilly Homes bid to the TACP in May 2022 and then in July 22 in total to deliver 75 homes for circa £6.1m grant under delegated authority given the speed at which the programme was announced and timelines for bids to be submitted and ultimately delivered. Caerphilly Homes are currently in due diligence with Welsh Government.
- 2.7 As the Welsh Government transitional accommodation strategy and funding programme evolve, there may be the need to act quickly and be agile with associated decision making and therefore a delegation from Cabinet is one way of ensuring Caerphilly can confidently bid to Welsh Government given the speed of delivery required.

3. RECOMMENDATIONS

- 3.1 That Cabinet note the bids submitted under the TACP acknowledging the timelines for delivery and agree the indicative level of contribution from the HRA. Recognising that none of the submissions have been formally agreed and could change.
- 3.2 That, if the funding bid is successful, that the block of commercial and residential accommodation at 1 to 6 The Grove, Fochriw, be refurbished and the residential brought back into use, rather than demolished, as previously agreed by Cabinet in 2018.
- 3.3 Approve a delegation to the Corporate Director of Social Services & Housing and Head of Financial Services/S151 Officer in consultation with the lead Cabinet Member for Housing. As Welsh Government make decisions on existing submissions that may require variation and encourage additional bids under the fund this year and into next financial year, this enables autonomy of decision making acting quickly, up to a financial threshold, particularly where there are market opportunities.
- 3.4 The total combined funding envelope and threshold for which the delegation may not exceed is £4,447,031 all of which comes from the Housing Revenue Account.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 Cabinet need to be aware that Caerphilly Homes are actively looking to engage with

this capital funding programme to optimise addition investment into providing additional affordable housing opportunities for those in temporary accommodation across the County Borough.

- 4.2 Caerphilly Homes can review its current assets and target their use accordingly to address the existing pressures faced across all communities in Wales. This is therefore demonstrated by Cabinet endorsing the reversal of the decision made in May 18 to remove the Grove from supply and use these properties for this transitional use ensuring improvements are made to the successful commercial business on the ground floor.
- 4.3 Ensuring that Caerphilly Homes can make quick amendments to any variation required from Welsh Government on the current bids that have been submitted is important in terms of speed of delivery given the deadlines of the programme. As Welsh Government have indicated they are keen for Caerphilly Homes to bid again during this programme, ensuring that market opportunities are not missed. The autonomy the delegation affords means that primarily HRA funds can be used swiftly to acquire properties or land when the opportunity arises.

5. THE REPORT

Background

- 5.1 The strategic objective for transitional accommodation is to provide good quality transitional homes for all individuals facing homelessness, through whatever route.
- 5.2 It is difficult to quantify the exact numbers of homes that will need to be provided, but currently across Wales there are over 8,000 homeless people, approximately 2,000 of which living in hotels and bed and breakfast. This is in addition to households living in unsatisfactory accommodation, and/or threatened with homelessness.
- 5.3 There are circa 75 Afghan and Syrian refugee families in Wales and as we watch the humanitarian crisis in Ukraine unfold over the last 6 months, a significant increase in Ukrainian nationals fleeing the war can be expected across Wales.
- 5.4 At the time of writing there were circa 5,000 Ukrainian arrivals under the Homes for Ukraine Scheme and the Welsh Government Super Sponsor routes. The majority are currently with hosts or in hotels and welcome centres and there will soon be the need to find alternative accommodation as these arrangements come to end over the coming months.
- 5.5 In addition, the UK Government is intending to significantly increase the number of people seeking asylum accommodated in Wales and across the UK in the private rented sector, both this year and throughout 2023.
- 5.6 The primary housing objective of Welsh Government and its LA and RSL partners is to provide longer term settled accommodation however, it is clear though that the rising numbers of homeless, the emerging cost of living crisis and the number of people and families seeking urgent help means transitional accommodation is urgently required.
- 5.7 The introduction of the TACP in April 22, intends to complement existing funding streams that focus more on permanent settled accommodation. Bids were sought

from RSLs and LAs in May 22 with a view to completing the projects within 9 to 18 months from approval.

- 5.8 To support access to TACP and other capital programmes, Welsh Government established minimum standards for transitional accommodation. Providing a pragmatic and hierarchical approach to accommodation standards to be adopted, recognising that there is a need to strike a balance between the need to increase capacity at pace with ensuring that all homes provided are a quality place to call home.
- 5.9 Transitional accommodation can be across many development routes and Welsh Government are seeking ideas and potential opportunities that can deliver quickly increasing the stock of social landlords. These include; conversions and remodelling of existing properties or accommodation such as care homes or commercial units, bringing empty properties both affordable and private back into use, acquisitions from the market, use of modular construction for temporary or semi-permanent homes, extension of leasing scheme Wales to encourage different, more reluctant landlords to let properties at Local Housing Allowance rent levels.
- 5.10 Caerphilly Homes bid under delegated authority given the speed at which Welsh Government required bids and the timeline to deliver. The bidding guidance offered by Welsh Government suggested that for the quicker delivery within 9 months there would not be any viability assessment. For those schemes looking to deliver over 18 months which may be more significant potentially involving demolition and new build or looking at modular options, these would need to go through more detailed assessment including scheme viability modelling.

Caerphilly Homes Bids

- 5.11 As the bids are indicative at this stage and haven't been formally approved or rejected, the details in this paper of most locations or scheme names if known, have been made anonymous. The primary objective is demonstrating what Caerphilly Homes are contemplating and how much this will cost the council.
- 5.12 Where there is the need to consult local members on these opportunities, members have and will be contacted for a briefing, so they are aware of the work that is under way in developing these transitional accommodation solutions.

Private Sector Empty Properties

- 5.13 We will work on the information and data that our newly formed Private Sector Empty Property Team have gathered in recent months for the HRA to acquire private sector empty properties for the use of affordable accommodation, either via private treaty, auction or CPO. The bid includes an average purchase price and an assumption that there will be additional average refurbishment cost per property which is incorporated into the level of funding requested. The properties will be transferred into and managed by the HRA hence the HRA contributing.
- Total scheme cost: £850,000 TACP grant: £595,000 HRA contributes: £255,000
 - Number of Homes: 5
 - 12- 18 months delivery

Sheltered Remodelling

5.14 The remodelling works of a current sheltered housing scheme, currently at indicative design stage, will consist of converting a 3-storey sheltered scheme of predominantly bedsit accommodation, identified for decommissioning, to 14 no. 1 bed flats & 3 no. bedsits. Incorporated in the works will be a new heating system & rewires to individual properties and communal areas. The kitchens and bathrooms will be brought up to WHQS standard. There are currently households resident in the scheme who are awaiting a permanent transfer to a planned innovative new build development. However, this is not due for completion within 18 months so this proposal will require a longer delivery. Caveats to this bid were the level of quality achievable and timelines for delivery, as the remodelling would need to be considered alongside the delivery of other sheltered housings schemes, taking longer than 18 months.

- Total scheme cost: £2,092,295 TACP grant: £1,464,606 HRA contributes: £627,689
- Number of Homes: 14
- 18 + months delivery

Voids Back into Use

5.15 In May 2018 Cabinet approved to take a block of two commercial and four residential HRA properties at The Grove in Fochriw out of debit pending demolition. There is a successful shop and post office continuing to trade on the ground floor and therefore given the service it provides the local community, Cabinet deferred demolition until the lease on the shop expired. Given the changing situation with temporary accommodation, increased housing need, and the Ukrainian situation, a bid was submitted to refurbish the exterior of the block and the four flats to bring them back into use as affordable accommodation, whilst also securing the future of the general store and post office at the location for the benefit of the community.

5.16 The three-storey block will require renewal of the roof, windows and doors, provision of EWI, comprehensive refurbishment of the flats to achieve WHQS. The HRA will contribute CCBC's proportion of costs as this will be long term affordable.

- Total scheme cost: £214,472 TACP grant: £150,130 HRA contributes: £64,342
- Number of Homes: 4
- Delivery 6-9 months

Private Landlord Leasing

5.17 Through the Caerphilly Keys network of private sector landlords interested in bringing properties back into use and letting them for temporary accommodation purposes a deal has been agreed for 9 flats. This is proposed as a 5-year lease arrangement with the landlord and CCBC, similar to the Covid 19 phase 2 PRS funding, mirroring all the agreements that were in place, the lease and land charge. There is no contribution to the total scheme costs for this proposal as Caerphilly Keys have negotiated a 30% contribution direct from the landlord. The rent strategy is to make the rents as affordable as possible and under market rates. Should those required to be housed only be able to service the rent via Housing Benefit and Universal Credit there may be the need to top up the rent via other sources to be agreed, possibly Housing Support Grant or DHP or Ukrainian tariff.

- Total scheme cost: £281,305 TACP grant: £196,914 Private Landlord contributes: £84,391
- Number of Homes: 9
- Delivery 6-9 months

Modular Housing

5.18 Modular housing programme on 5 sites close to amenities and town centres in Caerphilly County Borough. The Council are looking to package up these sites into one, transitional programme for the county borough and procure a modular solution meeting the Council's design and efficiency ambitions in addition to providing flexible homes that can meet a variety of needs. The Council intends to utilise a modular home building framework available via the Welsh Procurement Alliance procured and delivered relatively quickly. Costs are indicative at this stage as is the anticipated grant rate. The programme can be scaled up or down to meet the anticipated need. These will form part of our temporary accommodation portfolio to address increasing levels of homelessness.

- Total scheme cost: £6,200,000 TACP grant: £3,720,000 HRA contributes: £2,480,000
- Number of Homes: 40
- Delivery 18 months

Funding Bid

5.19 Caerphilly Homes have submitted bids under TACP to Welsh Government with a total development cost of £9,638,072 with Caerphilly proposing to contribute £3,427,031 funded from the Housing Revenue Account. The bids will deliver up to 75 new affordable homes for Caerphilly to contribute towards addressing current and future temporary accommodation pressures.

5.20 The proposals that will likely complete earlier will not be subject to any viability assessment whereas those bids that are up to 18 months in delivery will need to be scrutinised using the Standard Viability Model (SVM) used in Social Housing Grant bids.

5.21 On average the contribution from the council is circa 36% with three of the bids contributing 30%. When informally discussing the TACP with Welsh Government this 70/30 apportionment wasn't considered unreasonable.

Phase	Total cost assumptions	WG Grant bid	LA contribution
Private Empty Property	£850,000	£595,000	£255,000
Remodelling	£2,092,295	£1,464,606	£627,689
Void	£214,472	£150,130	£64,342
PRS Leasing	£281,305	£196,914	(*£84,391)
Modular	£6,200,000	£3,720,000	£2,480,000
Total	£9,638,072	£6,126,650	£3,427,031

*private landlord contribution

Delegation

- 5.22 As referenced, the bid has yet to be formally agreed by Welsh Government and decision making is underway with further due diligence and financial appraisal taking place. Therefore, on receipt of formal outcome of the bid further decisions may be required if the council contribution needs to be increased.
- 5.23 Welsh Government have also indicated that they would like Caerphilly Homes to bid again in particular for our strategy to bring empty private sector properties back into use. This is either via encouraging private sector empty property landlords to rent or, as per the bid, Caerphilly Homes acquiring empty properties on the market by negotiation, auction or compulsory purchase order. These opportunities will become available without warning and Caerphilly Homes will need to be able to act.
- 5.24 An informal target based on our records of those empty landlords that may wish to sell would equate to another bid of funding to Welsh Government with a total cost of £3,400,000 and a Caerphilly contribution of £1,020,000. All of the Council contribution would come from the Housing Revenue Account with the intention of the stock being transferred into and managed by the HRA and would be submitted after further discussion with Welsh Government.
- 5.25 The transitional accommodation strategy and the TACP has been developed and presented to all Welsh social landlords very quickly, the expectation of Welsh Government is that bidding landlords will be able to make swift decisions to ensure the earliest delivery of proposed schemes.
- 5.26 In order to act swiftly, particularly in the marketplace and make any further decisions following feedback from Welsh Government on the TACP bids already submitted, Caerphilly Homes are requesting that Cabinet agree a TACP decision-making delegation to the Corporate Director of Social Services & Housing, Head of Financial Services/S151 Officer in consultation with the lead Cabinet Member for Housing.
- 5.27 Under this delegation all decisions required in relation to existing and future TACP bids will be made by the Corporate Director of Social Services & Housing and the Head of Financial Services/S151 Officer in consultation with the lead Cabinet member of Housing and Head of Housing through by a project board. This will include members of Caerphilly Homes Housing Management team including the Principal Group Accountant Housing. It will minute and record all decisions and manage the ringfenced threshold of financial exposure to the programme.
- 5.28 Should any bids not be supported and through dialogue with Welsh Government other opportunities present themselves for which to bid against, the delegation will allow the project board to decide and submit new bids. Equally if any bid is deemed to not have contributed sufficiently then these decisions can also be made via the delegation.
- 5.29 The financial threshold of ringfenced funds the delegation will have to operate within is the total of the existing bids and the forecast of future empty property acquisitions. The vast majority of this ringfenced financial threshold for which to make decision comes from the HRA, which is already ringfenced for the sole purpose of funding Caerphilly owned affordable housing related costs.
- 5.30 The total combined funding envelope and threshold for which the delegation may not exceed is £4,447,031 all of which comes from the Housing Revenue Account.

6. Conclusion

- 6.1 The schemes and associated work outlined in the paper along with the delegation are necessary for the council and Caerphilly Homes to address the significant existing and future temporary accommodation pressures which are set to be exacerbated with additional groups of vulnerable people seeking sanctuary in Wales.
- 6.2 These transitional arrangements show that Caerphilly can react quickly and address these pressures proactively and in partnership with Welsh Government contributing in the long term to increased supply of the some of the most needed accommodation across the county borough.

7. ASSUMPTIONS

- 7.1 There are a number of assumptions within the current TACP bids. Particularly in the modular bid as this is at a very early stage of development, pre-tender of any provider or contractor and costs are indicative and subject to change. Equally the assumption with regards to the value and cost of bringing back empty properties into use could fluctuate and therefore these assumptions add more weight to the need for a delegation to manage the programme.
- 7.2 Following discussion with Welsh Government it is assumed that there will be opportunity to submit additional bids throughout the course of this year but we are aware Welsh Government are evolving the programme.
- 7.3 The financial assumptions have been stated above but the assumed cost, grant and CCBC contributions are set out below.

	Total cost assumption	WG Grant ask	LA contribution
Total	£9,638,072	£6,126,650	£3,427,031

- 7.4 This could increase up to the delegation threshold of £4,447,031 as and when additional bids have been submitted and approved by Welsh Government during the lifetime of the TACP.

8. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 8.1 Hyperlink to the Integrated Impact Assessment:

[Link to Integrated Impact Assessment](#)

9. FINANCIAL IMPLICATIONS

- 9.1 The financial implications and how this will be managed have been set out under the delegation section at 5.19 - 5.30.

10. PERSONNEL IMPLICATIONS

- 10.1 There are no implications here as the project will be managed by the existing

Caerphilly Homes team.

11. CONSULTATIONS

11.1 All consultee responses have been included in this report.

12. STATUTORY POWER

12.1 N/A

Author: Nick Taylor-Williams, Head of Housing, Email: taylon1@caerphilly.gov.uk

Consultees:	Cllr Sean Morgan	- Leader of Council
	Cllr James Pritchard	- Deputy Leader of Council
	Cllr Shayne Cook	- Cabinet Member for Housing
	Cllr Andrew Whitcombe	- Chair Housing & Regeneration Scrutiny Committee
	Cllr Patricia Cook	- Vice Chair Housing & Regeneration Scrutiny Committee
	Christina Harrhy	- Chief Executive
	Dave Street	- Corporate Director Social Services & Housing
	Mark S Williams	- Corporate Director Environment and Economy
	Richard Edmunds	- Corporate Director of Education and Corporate Services
	Robert Tranter	- Head of Legal Services & Monitoring Officer
	Stephen R Harris	- Head of Financial Services & S151 Officer
	Lesley Allen	- Principal Group Accountant - Housing
	Fiona Wilkins	- Housing Services Manager
	Jane Roberts-Waite	- Strategic Co-ordination Manager
	Claire Davies	- Private Sector Housing Manager
	Kerry Denman	- Housing Solutions Manager
	Alan Edmunds	- PAMS Manager

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