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Date: 17th May 2023

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

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

To Whom It May Concern,

A multi-locational meeting of **Council** will be held in the Chamber, Penallta House and via Microsoft Teams on **Tuesday, 23rd May, 2023 at 5.00 pm** to consider the matters contained in the following agenda. Members of the Public or Press may attend in person at Penallta House or may view the meeting live via the following link: <https://civico.net/caerphilly> .

Yours faithfully,

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

Christina Harrhy
CHIEF EXECUTIVE

A G E N D A

Pages

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

A greener place Man gwyrddach



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

4 Presentation of Awards.

5 Declarations of Interest.

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

To approve and sign the following minutes: -

6 Special Council held on 23rd February 2023. 1 - 14

7 Council held on 15th March 2023. 15 - 20

8 Special Council held on 19th April 2023. 21 - 26

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

Question from Councillor B. Miles to the Cabinet Member for Social Care, Councillor E. Forehead.

Can the Cabinet Member for Social Care outline the pressures on Domiciliary Care and what we in Caerphilly CBC are doing to try to meet the demand?

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

Question from Councillor K. Etheridge to the Leader of Council, Councillor S. Morgan.

To ask the Leader to define, and make a statement on what advice, consultation and engagement he had in with merging the Cabinet Posts of Corporate Services, Property and Highways, under one Cabinet Post and does he feel this will offer best value, effectiveness, efficiency and well being of just 1 Cabinet Member in dealing with such a large portfolio in the interests of Team Caerphilly.

11 To receive the question under Rule of Procedure 10(4) to be answered in writing.

Question from Councillor J. Winslade to the Leader of Council, Councillor S. Morgan.

Would the leader provide an update on housing pressures in Caerphilly county borough?

To receive and consider the following reports: -

12 Notice of Motion - Foster Family Friendly Employer. 27 - 32

13 Notice of Motion - Fuel Poverty. 33 - 38

14	Housing Revenue Account Business Plan 2023/24.	39 - 116
15	Future of Caerphilly Homes Task Group.	117 - 124

Circulation:

All Members And Appropriate Officers

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SPECIAL COUNCIL

MINUTES OF THE MULTI-LOCATIONAL MEETING HELD IN THE CHAMBER PENALLTA HOUSE AND VIA MICROSOFT TEAMS ON THURSDAY, 23RD FEBRUARY 2023 AT 5.00PM

PRESENT:

Councillor E.M. Aldworth - Mayor
Councillor M.A. Adams - Deputy Mayor

Councillors:

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

Together with:

D. Street (Corporate Director Social Services and Housing), R. Tranter (Head of Legal Services and Monitoring Officer), R. Edmunds (Corporate Director Education and Corporate Services), M. S. Williams (Corporate Director for Economy and Environment), S. Harris (Head of Financial Services and Section 151 Officer), L. Lane (Head of Democratic Services and Deputy Monitoring Officer), A. Southcombe (Finance Manager), N. Roberts (Principal Group Accountant), S. Pugh (Head of Communications), E. Sullivan (Senior Committee Services Officer), R. Barrett (Minute Taker)

IN MEMORIUM

The Mayor referred to the recent passing of Mrs Margaret Davies, beloved wife of Councillor Tudor Davies MBE. Council stood for a moment's silence as a mark of respect and extended their condolences to Councillor Davies MBE at this sad time.

RECORDING, FILMING AND VOTING ARRANGEMENTS

The Corporate Director for Social Services and Housing reminded those present the meeting was being live streamed, and a recording would be available following the meeting via the Council's website – [Click Here to View](#). He advised that decisions would be made by Microsoft Forms.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors M. Evans, D.W.R. Preece, D. Price, J. Rao, S. Skivens and A. Whitcombe, together with Mrs C. Harry (Chief Executive).

2. DECLARATIONS OF INTEREST

The following declarations were received in respect of Agenda Item No. 5 – Budget Proposals for 2023/24 :-

Councillors C. Elsbury and C. Wright declared a personal interest in this item as Members of the South Wales Fire and Rescue Authority.

Councillor C. Cuss declared a personal interest in this item as he is Chair of the Ael-y-Bryn Community Centre and sits on the Management Committee of St David's Community Centre and the Wigwam in Rhymney.

Councillor N. George declared a personal interest in this item as he sits on the Channel View Community Centre Management Committee.

Councillor W. Williams declared a personal interest in this item as he sits on the Markham Community House and Leisure Centre Committee.

Councillor P. Leonard declared a personal interest in this item as she is Chair of the Management Committee of Channel View Community Centre.

Councillor C. Morgan declared a personal interest in this item as he is a Member of Graig-y-Rhacca Community Centre and Machen Village Hall Committees.

Councillor T. Parry declared a personal interest in this item as she is on the Management Committee of the Hengoed Community Centre

Councillor D. Cushing declared a personal interest in this item as she is Chair of Cefn Hengoed Community Centre Management Committee.

Councillor H. Pritchard declared a personal interest in this item in that he is on the Community Centre Management Committee and Local Football Club Committee Member.

Councillor C. Mann declared a personal interest in this item in that he is a Member of Llanbradach Community Centre Management Committee.

Councillor E. Forehead declared a personal interest in this item in that she is Chair of Van Community Centre.

Councillor A. Gair declared a personal interest in this item in that she is a Member of the Tir-y-Berth and Cascade Community Centre Management Committee.

Councillor R. Chapman declared a personal interest in this item in that he is Chair of Fochriw Community Centre Management Committee.

Councillor A. McConnell declared a personal interest in this item in that she is a Committee Member of the Machen Village Hall and Graig-y-Rhacca Community Centre

Councillor S. Morgan declared a personal interest in this item in that he sits on the Management Committee of Nelson Community Centre.

REPORTS OF OFFICERS

Consideration was given to the following reports.

3. CAPITAL STRATEGY REPORT 2023/2024

Consideration was given to the report, which outlined details of the Authority's Capital Strategy for 2023/24 in accordance with the Prudential Code that was introduced by the Local Government Act 2003 and sought Council approval on its contents. The report had been considered by the Policy and Resources Scrutiny Committee on 23rd January 2023 who provided comments on the Capital Strategy ahead of its presentation to Council.

Council were advised that the report cross-referenced the report by the Chief Executive on Revenue and Capital Budgets ["the budget report"]; and the Treasury Management Annual Strategy, Capital Finance Prudential Indicators and Minimum Revenue Provision Policy Report for 2023/2024.

The Capital Strategy outlines the principles and framework at the very high level that shape the Authority's capital investment proposals. The principal aim is to deliver an affordable programme of capital consistent with the financial strategy that contributes to the achievement of the Council's priorities and objectives as set out in the Authority's Corporate Plan; consider associated risks; recognise financial constraints over the longer term; and represent value for money.

The Strategy defines at the highest level how the capital programme decision making identifies the issues and options that influence capital spending and sets out how the resources and capital programme will be managed. In addition, the Capital Strategy should comply with the Prudential Code for local authority capital investment introduced through the Local Government Act 2003, with the key objectives of the Code being to ensure that capital investment plans are affordable, prudent, and sustainable.

There were no questions received and it was moved and seconded that the recommendation in the report be approved. By way of Microsoft Forms and verbal confirmation and in noting that there were 56 for, 3 against and 4 abstentions, this was agreed by the majority present.

RESOLVED that the annual Capital Strategy Report for 2023/2024 be approved.

4. TREASURY MANAGEMENT ANNUAL STRATEGY, CAPITAL FINANCE PRUDENTIAL INDICATORS AND MINIMUM REVENUE PROVISION POLICY FOR 2023/2024

Consideration was given to the report, which sought Council approval of the Authority's Annual Strategy for Treasury Management and a dataset of Prudential Indicators relevant to Treasury Management and Capital Finance. The report cross-referenced the report by the Chief Executive on Revenue and Capital Budgets ["the budget report"]; also considered in this meeting. The report also sought approval of the Minimum Revenue Provision (MRP) policy to be adopted by the Authority for 2023/2024. It was noted that the report had been presented to the Policy and Resources Scrutiny Committee on 23rd January 2023, who provided comments on the report ahead of its presentation to Council.

Council was advised that the revised "Code of Practice for Treasury Management in the Public Services" requires an Annual Strategy to be submitted to Members on or before the start of a financial year to outline the activities planned within the parameters of the Treasury Management Policy Statement and the Treasury Management Practices. The Local Government Act 2003 also requires the Authority to set out its Treasury Management Strategy for borrowing for the forthcoming year and to prepare an Annual Investment Strategy, which sets out the policies for managing its investments, giving priority to the security and liquidity of those investments. The Authority is also obliged to approve and publish a number of indicators relevant to Capital Finance and Treasury Management and to prepare an annual Minimum Revenue Provision Policy Statement.

A Member sought clarification on the financial security of £30m in Lender's Option Borrower's option loans as detailed in Section 5.7.5 of the report. Officers confirmed that there are currently no issues with these particular loans and there have been no representations made to increase the interest at this present time. However, these loans are kept under review through the Council's external Treasury Management Adviser (Arlingclose) and if an opportunity arises for the Council to release itself from these loans if prudent to do so, consideration will be given to this and a report brought before Council.

The Member also referred to Section 5.11.4 of the report which referenced a 3.50% target rate for investments and asked whether this was a pessimistic target given the anticipated rise in interest rates. The Officer reminded Members that interest rates are extremely volatile at present and for 2022/23 investment income of around £2.3m is projected, which is £824k more than the budgeted level for the current financial year. For the next financial year, it is anticipated that investment income will be £1.9m higher than the budgeted level, and this has been included as a temporary saving within the 2023/24 budget proposals to be considered later in the meeting.

Following consideration of the report, it was moved and seconded that the recommendations in the report be approved. By way of Microsoft Forms and verbal confirmation and in noting that there were 54 for, 3 against and 6 abstentions, this was agreed by the majority present.

RESOLVED that: -

- (i) the Annual Strategy for Treasury Management 2023/24 be approved;
- (ii) the strategy be reviewed quarterly within the Treasury Management monitoring reports presented to Policy and Resources Scrutiny Committee and any changes recommended be referred to Cabinet, in the first instance, and to Council for a decision. The Authority will also prepare a half-yearly report on Treasury Management activities;
- (iii) The Prudential Indicators for Treasury Management be approved as per Appendix 5 of the report;
- (iv) The Prudential Indicators for Capital Financing be approved as per Appendices 6 and 7 of the report;
- (v) the MRP policy as set out in Appendix 8 of the report be adopted;
- (vi) The continuation of the 2022/23 investment strategy and the lending to financial institutions and Corporates in accordance with the minimum credit rating criteria disclosed within this report be approved;
- (vii) approval be given for the Authority to borrow £46.8m for the General Fund to support the 2023/24 capital programme and £45.0m for the HRA WHQS and Affordable Homes programme;
- (viii) the Authority continues to adopt the investment grade scale as a minimum credit rating criterion to assess the credit worthiness of suitable counterparties when placing investments;
- (ix) the monetary and investment duration limits as set out in Appendix 3 of the report be adopted.

5. BUDGET PROPOSALS FOR 2023/24

Declarations of interest were received from Councillors C. Elsbury, C. Wright, C. Cuss, N. George, W. Williams, P. Leonard, C. Morgan, T. Parry, D. Cushing, H. Pritchard, C. Mann, E. Forehead, A. Gair, R. Chapman, A. McConnell and S. Morgan. As all declarations were personal only there was no requirement for Members to leave the meeting and they could take full part in the debate and vote.

Council noted that the report had been considered by Cabinet at its meeting on 22nd February 2023 and sought Council's endorsement of the budget proposals for 2023/24. The report also provided an update on the Council's Medium-Term Financial Plan (MTFP).

Members were advised that the balanced and measured set of budget proposals demonstrate the effectiveness of the Council's ongoing financial management strategy in view of the significant budget pressures being faced by the Authority. It was emphasised that the proposals did not include any significant cuts to key services and that the Council has worked hard to protect local communities due to the prudent financial approach being undertaken, which is particularly due to the dedication and professionalism of Council staff at every level across the organisation. The Cabinet Member commended the resilience and flexibility of the workforce who have done so much to support the needs of residents across the Authority during these challenging times.

Members were advised that a fixed 6.9% uplift in the WG Provisional Local Government Financial Settlement for 2023/24, along with the use of reserves, a range of permanent and temporary savings, and a proposed Council Tax of 7.9% had resulted in a robust budget for consideration by Members. It was acknowledged that whilst an increase in Council Tax is not desirable, without this increase the Authority would need to consider alternative savings measures which could include cuts to key services. It was noted that the proposed increase would result in a Band D increase of £1.91 per week, with it emphasised that the current levels of Council Tax for Caerphilly Council remain amongst the lowest in Wales.

Members were referred to a number of key changes to the original budget proposals that have been shaped by feedback from residents, including reconsideration of savings totalling over £600k as listed in Section 5.3.1 of the report. The Cabinet Member thanked all those who provided feedback on the budget survey and for participating in the Caerphilly Conversation which has helped to shape the way that the Council will carry out its work in the future.

The Leader of Council referenced the financial pressures being faced by the Authority and emphasised the Council's responsibilities to provide a balanced budget whilst ensuring that much-needed public services are protected. The Leader commended the efforts of the Council's workforce to support residents at every stage of their lives, together with the support given to communities throughout the pandemic and cost of living crisis, shielding the most vulnerable members of society and providing continued assistance to those in the most financial need. Members were reminded that the cost of delivering these key services will be £55m more in 2023/24 and this increase cannot simply be absorbed through existing budgets. Despite the £22m of extra funding from WG, proposed permanent savings of circa £5m, and a proposed Council Tax increase of 7.9%, this still leaves a funding shortfall equating to £22m, which will be met through the one-off use of reserves totalling £15.345m, together with a number of temporary savings. This will allow the Authority to focus on its ongoing plans to transform the organisation into a modern, agile, and sustainable Council that can achieve more with less resources.

The Leader referred to the level of reserves held by the Council and explained that the majority of these are ring-fenced for specific purposes, such as the Housing Revenue Account, school balances, pay awards, much-needed infrastructure, and 21st Century Schools match funding, and therefore cannot be used to meet the funding shortfall. In

addition, reserves can only be used once, and to continually divert these reserves to meet increased costs would mean that these would be fully depleted within three years, at the end of which the Council would be left with a funding gap of approximately £100m. Members were also reminded that if the Council were to divert reserves to meet increased costs, the county borough would miss out on hundreds of millions of pounds in external match funding opportunities. It was reiterated to Members that the Council needs to focus collective efforts on delivering services in a modern and efficient way, whilst doing everything possible to meet the long-term needs of residents and future generations.

It was moved and seconded that the recommendations in the report be approved.

Council discussed the proposed Council Tax increase of 7.9% and reference was made to the financial pressures already being faced by residents as a result of the cost-of-living crisis and the additional burden that this Council Tax increase would place on households. Several Members referenced the significant level of reserves held by the Council and expressed the view that these are public funds which should be used to meet the public need, and it was suggested that an additional £6m in reserves could be released to offset the proposed increase in Council Tax.

During the course of the debate, an amendment was moved and seconded in relation to Recommendation 1.3.6 of the Officer's covering report, for a 0% raise in Council Tax with no cuts to services to be funded from existing funding (reserves).

Discussion took place on the amendment and a number of Members reiterated the financial hardship being faced by residents and increased dependency on services such as food banks, which could be heightened if Council Tax were to be increased. In response to the proposed amendment, one Member sought clarification on which particular reserves would be used to meet the funding shortfall arising from a zero increase in Council Tax. Some Members expressed a need to reconsider the Council Tax increase in view of the implications for its residents, and reference was also made the level of grant funding received by the Council and to underspends arising from additional grant funding received from WG as a result of the Covid-19 pandemic, which had increased the level of reserves held.

Officers provided clarification on the grant funding process, explaining that grants are secured for specific purposes with terms and conditions attached, and although the Council received additional one-off funding from WG during the pandemic, which was the reason why some underspends were higher than usual, these underspends were now set aside for specific purposes as previously approved by Cabinet and Council. In terms of the proposed amendment, the Section 151 Officer explained that a zero Council Tax increase would add to the temporary measures already included in the 2023/24 budget proposals and thus increase the £48m savings requirement anticipated for the two-year period 2024/25 to 2025/26.

A Member referred to the consultation responses received on the draft budget proposals and contested the Council's claim that it had listened to its residents when shaping the final proposals, given that the majority of the 271 respondents did not support a Council Tax increase or supported a lower increase instead. The Cabinet Member for Finance and Performance acknowledged the low consultation response rate but emphasised that a zero increase would result in a lack of investment in schools and impact on the most vulnerable residents if key services were cut instead, and she urged those residents facing financial difficulty to contact the Caerphilly Cares team to seek advice and assistance if needed.

In accordance with Rule of Procedure 15.4(1) a request was made for a recorded vote on the amendment which was supported by 10 Members.

For the Amendment:

A.P. Angel, C. Bishop, D. Cushing, N. Dix, G. Ead, G. Enright, K. Etheridge, A. Farina-Childs, J.E. Fussell, M.P. James, J. Jones, S. Kent, C.P. Mann, B. Owen, T. Parry, H. Pritchard, J.A. Pritchard, J. Reed, J. Roberts, J. Scriven, J. Taylor, L.G. Whittle **(22)**

Against the Amendment:

M. Adams, E.M. Aldworth, C. Andrews, A. Broughton-Pettit, M. Chacon-Dawson, R. Chapman, P. Cook, S. Cook, C. Cuss, D.T. Davies MBE, C. Forehead, E. Forehead, A. Gair, N. George, C. Gordon, D. Harse, T. Heron, A. Hussey, D. Ingram-Jones, L. Jeremiah, G. Johnston, A. Leonard, P. Leonard, A. McConnell, B. Miles, C. Morgan, S. Morgan, L. Phipps, M. Powell, J. Pritchard, J. Sadler, R. Saralis, J. Simmonds, E. Stenner, C. Thomas, S. Williams, W. Williams, J. Winslade, K. Woodland, C. Wright **(40)**

The amendment was declared lost by the majority present.

A further amendment was then moved and seconded in relation to Recommendation 1.3.6 of the Officer's covering report, for there to be a 4% increase in Council Tax with the £2.4m shortfall funded from reserves.

Debate took place on the further amendment and clarification was sought on which particular reserves would be used to meet the £2.4m shortfall. One Member suggested that underspends across Education and Lifelong Learning and Miscellaneous Finance could be used in this regard.

In accordance with Rule of Procedure 15.4(1) a request was made for a recorded vote on the amendment which was supported by 10 Members.

For the Amendment:

A.P. Angel, C. Bishop, D. Cushing, N. Dix, G. Ead, G. Enright, K. Etheridge, A. Farina-Childs, J.E. Fussell, M.P. James, J. Jones, S. Kent, C.P. Mann, B. Owen, T. Parry, H. Pritchard, J.A. Pritchard, J. Reed, J. Roberts, J. Taylor **(20)**

Against the Amendment:

M. Adams, E.M. Aldworth, C. Andrews, A. Broughton-Pettit, M. Chacon-Dawson, R. Chapman, P. Cook, S. Cook, C. Cuss, D.T. Davies MBE, C. Forehead, E. Forehead, A. Gair, N. George, C. Gordon, D. Harse, T. Heron, A. Hussey, D. Ingram-Jones, L. Jeremiah, G. Johnston, A. Leonard, P. Leonard, A. McConnell, B. Miles, C. Morgan, S. Morgan, L. Phipps, M. Powell, J. Pritchard, J. Sadler, R. Saralis, J. Scriven, J. Simmonds, E. Stenner, C. Thomas, S. Williams, W. Williams, J. Winslade, K. Woodland, C. Wright **(41)**

Abstentions:

L.G. Whittle **(1)**

The amendment was declared lost by the majority present.

Debate took place on the substantive motion, and several Members expressed the need to maintain the sustainability of the Council by supporting a balanced budget.

A Member referred to the proposal to withdraw the subsidy for the Blackwood to Ystrad Mynach Rail Link bus service and expressed concerns that this could negatively impact on a significant number of commuters and did not encourage sustainable travel. Members were reminded that Transport for Wales intends to introduce additional rail services through every station across the county borough at 15-minute intervals, meaning that there will no longer be a need for a designated bus-rail service as commuters will be able to easily connect to one of the existing service buses that run between Blackwood and Ystrad Mynach, resulting in no impact to rail and bus users.

Concerns were raised regarding the proposed 12% increase in pitch fees and the financial pressures this could place on local sports clubs. It was emphasised that the Council has listened to its residents by reducing the proposed increase from 20% to 12%, and that pitch fees across the county borough remain cheaper than those in neighbouring authorities.

Members raised concerns around the proposed reduction of caretaker hours in community centres, including the potential loss of jobs and the additional pressures this would place on centre volunteers. Assurances were sought regarding the Council's commitment towards supporting community centres. The Cabinet Member for Waste, Leisure and Green Spaces explained that the Council had promised to work with every community centre and their respective committees, but the onus was very much on community use/support to ensure that these centres remain open.

Clarification was sought on how the budget proposals would support the Council's most vulnerable residents. The Cabinet Member for Social Care confirmed that there is an allocation of £9.3m in growth for Social Services, including £3.9m to meet the needs of the most vulnerable children, £2.8m to allow independent sector partners to pay the real living wage, £697k to establish the Caerphilly Cares team as a permanent service arising from the loss of funding from WG, and £232k to allow the Council to meet the additional needs of people with learning disabilities living in supported living accommodation. Furthermore, £1.7m has also been allocated to Housing to support the provision of temporary accommodation for those residents' facing homelessness.

Members asked how these budget proposals would affect funding for CCBC schools. The Cabinet Member for Education and Communities explained that in real terms this equates to a funding increase of over 8%. However, this does mean that schools are being asked to contribute to their energy bills. This budget also means that the Council will be able to continue to build new schools through the Sustainable Communities for Learning programme and safeguard future education for young people across the borough. In response a Member expressed his dismay that carbon footprint awareness had been cited as a reason for schools being asked to contribute towards their energy bills moving forward.

Council debated the use of reserves at length and Members emphasised the need to retain these reserves in order to invest in future infrastructure and safeguard projects for residents and future generations, including new council housing, new school buildings and regeneration projects across the county borough, together with the need to retain ring-fenced reserves for much-needed areas including winter maintenance, the apprenticeship scheme and homelessness prevention.

A query was received on the forecasted level of reserves at the end of 2022/23. The Section 151 Officer explained that there are numerous transactions that take place throughout the financial year but based on a high-level assessment at the present time, it is estimated that the reserves at the end of 2022/23 are likely to reduce to around £178m. It was emphasised that this is merely a projection at this point and circumstances could change, but the Authority is now on a downward trajectory in terms of reserve balances. Another Member sought clarification on how these reserves would be reduced, and Mr Harris explained that this would include a projected reduction of school balances from £17m to £8.4m and a reduction of £15m to balance the budget for 2023/24, together with numerous movements across other reserves by the end of the financial year.

Clarification was sought as to how businesses across the county borough would be supported, and it was noted that there would be greater investment in small businesses during 2023/24, including an extra £500k allocation in terms of the Caerphilly Enterprise Fund. Investment has also been made in a new town centre team to support businesses across the county borough and there will be an enhanced Events programme taking place in 2023, in order to aid regeneration and generate footfall across the town centres.

Assurances were sought that there would be no forced redundancies across the Council as a result of these budget proposals. The Cabinet Member for Corporate Services and Property confirmed that the budget aims to protect frontline services and residents wherever possible and confirmed that there would be no compulsory redundancies as a consequence of this budget.

Clarification was provided on the Council Tax concessionary scheme, with it noted that residents can seek advice from the Caerphilly Cares team on whether they meet the eligibility criteria. The work of the Caerphilly Cares team was further highlighted.

Clarification was sought on the £50k temporary saving against the Educational Psychology Service arising from vacancy management as a result of staff turnover, with a Member asking whether recruitment would take place to fill the vacancy in order to provide this much-needed service to schools. The Corporate Director Education and Corporate Services explained that this is very much a temporary saving for one year, owing to the degree of staff turnover in this particular field. It was explained that the Authority is nearing its full complement in terms of education psychologists.

Having already moved and seconded that the recommendations in the report be approved, voting then took place on the substantive motion.

In accordance with Rule of Procedure 15.4(1) a request was made for a recorded vote which was supported by 10 Members.

For the Motion:

M. Adams, E.M. Aldworth, C. Andrews, A. Broughton-Pettit, M. Chacon-Dawson, R. Chapman, P. Cook, S. Cook, C. Cuss, D.T. Davies MBE, C. Forehead, E. Forehead, A. Gair, N. George, C. Gordon, D. Harse, T. Heron, A. Hussey, D. Ingram-Jones, L. Jeremiah, G. Johnston, A. Leonard, P. Leonard, A. McConnell, B. Miles, C. Morgan, S. Morgan, L. Phipps, M. Powell, J. Pritchard, J. Sadler, R. Saralis, J. Simmonds, E. Stenner, C. Thomas, S. Williams, W. Williams, J. Winslade, K. Woodland, C. Wright **(40)**

Against the Motion:

A.P. Angel, C. Bishop, D. Cushing, N. Dix, G. Ead, G. Enright, K. Etheridge, A. Farina-Childs, J.E. Fussell, M.P. James, J. Jones, S. Kent, C.P. Mann, B. Owen, T. Parry, H. Pritchard, J.A. Pritchard, J. Reed, J. Scriven, J. Roberts, J. Taylor, L.G. Whittle **(22)**

The vote on the substantive motion was declared carried by the majority present and it was

RESOLVED that: -

- (i) the revenue budget proposals for 2023/24 of £438.722m as detailed throughout the report and summarised in Appendix 1 be approved;
- (ii) the proposed budget virements in relation to Additional Learning Needs as detailed in paragraph 5.3.12 be approved;
- (iii) the proposed use of £346k of the LMS Contingency Reserve as a one-off sum to support the Education & Lifelong Learning Directorate's 2023/24 contribution to the 50% repairs and maintenance budget for schools (as detailed in paragraph 5.5.3) be approved;
- (iv) the movements on the General Fund in Appendix 5 and the current projected balance as at 31 March 2023 of £13.041m be noted;
- (v) the proposed Capital Programme for the period 2023/24 to 2025/26 as set out in Appendix 6 be approved;

- (vi) the proposal to increase Council Tax by 7.9% for the 2023/24 financial year to ensure that a balanced budget is achieved (Council Tax Band D being set at £1,353.01) be approved;
- (vii) the updated MTFP in Appendix 7 showing an indicative potential savings requirement of £48.335m for the two-year period 2024/25 to 2025/26 be noted.

6. COUNCIL TAX SETTING RESOLUTION 2023/24

Consideration was given to the report which sought approval of the Council Tax Setting Resolutions for the 2023/24 financial year.

Members were asked to note amendments to the figures set out at Sections 2(a) and 2(b) of the report, in that Section 2(a) should read £438,722,307 and Section 2(b) should read £16,395,377. Members were advised that this amendment would have no impact on the Council Tax figures.

It was moved and seconded that the resolutions contained in the Officer's report be approved and by way of Microsoft Forms and verbal confirmation and in noting that there were 43 for, 18 against and 0 abstentions, this was agreed by the majority present.

RESOLVED: -

1. That it be noted that at its meeting on the 14th December 2022 the Cabinet calculated the following amounts for the year 2023/2024 in accordance with regulations made under Section 33(5) of The Local Government Finance Act 1992 and powers granted under The Local Authorities (Executive Arrangements) (Functions and Responsibilities) (Wales) Regulations 2007 (as amended).

- (a) **61,135.13** Being the amount calculated by the Cabinet, in accordance with Regulation (3) of The Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995 (as amended), as its council tax base for the year.

- (b) **Part of Council's Area:**

Tax Base for each Community Council	<u>Tax Base</u> <u>No. of D Band</u> <u>Equivalent Properties</u>
Aber Valley	2,008.28
Argoed	880.45
Bargoed	3,697.40
Bedwas, Trethomas & Machen	3,969.95
Blackwood	2,959.91
Caerphilly	6,284.17
Darren Valley	713.62
Draethen, Waterloo & Rudry	620.42
Gelligaer	6,322.88

Tax Base for each Community Council	<u>Tax Base</u> <u>No. of D Band</u> <u>Equivalent Properties</u>
Llanbradach & Pwllypant	1,504.43
Maesycwmmmer	957.98
Nelson	1,590.59
New Tredegar	1,335.80
Penyrheol, Trecenydd & Energlyn	4,547.97
Rhymney	2,564.25
Risca East	2,038.26
Risca West	1,819.23
Van	1,644.55
Remainder	15,674.99
Total	61,135.13

being the amounts calculated by the cabinet, in accordance with regulation 6 of the Regulations, as the amounts of its council tax base for the year for dwellings in those parts of its area to which one or more special items relate.

2. That the following amounts be now calculated by the Council for the year 2023/2024 in accordance with Sections 32 to 36 of the Local Government and Finance Act 1992:-
- (a) **£438,722,307** *being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (d) of the Act;*
- (b) **£16,395,377** *being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3) (a), (aa) and (c) of the Act;*
- (c) **£423,291,731** *being the amount by which the aggregate at (2)(a) above exceeds the aggregate at (2)(b) above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year;*
- (d) **£339,610,488** *being the aggregate of the sums which the Council estimates will be payable for the year into its council fund in respect of redistributed non-domestic rates, revenue support grant, an authority's council tax reduction scheme or additional grant;*
- (e) **£1,368.79** *being the amount at (2)(c) above less the amount at (2)(d) above, all be divided by the amount at (1)(a) above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its council tax for the year;*
- (f) **£964,801** *being the aggregate amount of all special items referred to in section 34(1) of the Act;*
- (g) **£1,353.01** *being the amount at (2)(e) above less the result given by dividing the amount at (2)(f) above by the amount at (1)(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no special item relates;*

(h) Part of the Council's Area

	Local Precept £	County Borough Levy £	Total County Borough & Community Council Band D Charge £
Aber Valley	19.92	1,353.01	1,372.93
Argoed	15.50	1,353.01	1,368.51
Bargoed	46.45	1,353.01	1,399.46
Bedwas, Trethomas & Machen	27.71	1,353.01	1,380.72
Blackwood	20.00	1,353.01	1,373.01
Caerphilly	15.50	1,353.01	1,368.51
Darren Valley	18.19	1,353.01	1,371.20
Draethen, Waterloo & Rudry	32.24	1,353.01	1,385.25
Gelligaer	21.13	1,353.01	1,374.14
Llanbradach & Pwllypant	23.58	1,353.01	1,376.59
Maesycwmmmer	19.10	1,353.01	1,372.11
Nelson	18.24	1,353.01	1,371.25
New Tredegar	12.67	1,353.01	1,365.68
Penyrheol, Trecenydd & Energlyn	14.50	1,353.01	1,367.51
Rhymney	14.04	1,353.01	1,367.05
Risca East	12.00	1,353.01	1,365.01
Risca West	29.00	1,353.01	1,382.01
Van	16.63	1,353.01	1,369.64
Remainder	0.00	1,353.01	1,353.01

being the amounts given by adding to the amount at (2)(g) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at (1)(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts, of its council tax for the year for dwellings in those parts of its area to which one or more special items relate;

(i)

Valuation Bands	A	B	C	D	E	F	G	H	I
	6.00	7.00	8.00	9.00	11.00	13.00	15.00	18.00	21.00
Valuation Bands	A	B	C	D	E	F	G	H	I
	£	£	£	£	£	£	£	£	£
County Borough Council	902.01	1,052.34	1,202.68	1,353.01	1,653.68	1,954.35	2,255.02	2,706.02	3,157.02
Community Councils									
Aber Valley	13.28	15.49	17.71	19.92	24.35	28.77	33.20	39.84	46.48
Argoed	10.33	12.06	13.78	15.50	18.94	22.39	25.83	31.00	36.17
Bargoed	30.97	36.13	41.29	46.45	56.77	67.09	77.42	92.90	108.38
Bedwas, Trethomas & Machen	18.47	21.55	24.63	27.71	33.87	40.03	46.18	55.42	64.66
Blackwood	13.33	15.56	17.78	20.00	24.44	28.89	33.33	40.00	46.67
Caerphilly	10.33	12.06	13.78	15.50	18.94	22.39	25.83	31.00	36.17
Darren Valley	12.13	14.15	16.17	18.19	22.23	26.27	30.32	36.38	42.44
Draethen, Waterloo & Rudry	21.49	25.08	28.66	32.24	39.40	46.57	53.73	64.48	75.23
Gelligaer	14.09	16.43	18.78	21.13	25.83	30.52	35.22	42.26	49.30
Llanbradach & Pwllypant	15.72	18.34	20.96	23.58	28.82	34.06	39.30	47.16	55.02
Maesycwmmmer	12.73	14.86	16.98	19.10	23.34	27.59	31.83	38.20	44.57
Nelson	12.16	14.19	16.21	18.24	22.29	26.35	30.40	36.48	42.56
New Tredegar	8.45	9.85	11.26	12.67	15.49	18.30	21.12	25.34	29.56
Penyrheol, Trecenydd & Energlyn	9.67	11.28	12.89	14.50	17.72	20.94	24.17	29.00	33.83
Rhymney	9.36	10.92	12.48	14.04	17.16	20.28	23.40	28.08	32.76
Risca East	8.00	9.33	10.67	12.00	14.67	17.33	20.00	24.00	28.00
Risca West	19.33	22.56	25.78	29.00	35.44	41.89	48.33	58.00	67.67
Van	11.09	12.93	14.78	16.63	20.33	24.02	27.72	33.26	38.80
Remainder	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Valuation Bands	A	B	C	D	E	F	G	H	I
	£	£	£	£	£	£	£	£	£
Totals For Community Council Areas									
Aber Valley	915.29	1,067.83	1,220.39	1,372.93	1,678.03	1,983.12	2,288.22	2,745.86	3,203.50
Argoed	912.34	1,064.40	1,216.46	1,368.51	1,672.62	1,976.74	2,280.85	2,737.02	3,193.19
Bargoed	932.98	1,088.47	1,243.97	1,399.46	1,710.45	2,021.44	2,332.44	2,798.92	3,265.40
Bedwas, Trethomas & Machen	920.48	1,073.89	1,227.31	1,380.72	1,687.55	1,994.38	2,301.20	2,761.44	3,221.68
Blackwood	915.34	1,067.90	1,220.46	1,373.01	1,678.12	1,983.24	2,288.35	2,746.02	3,203.69
Caerphilly	912.34	1,064.40	1,216.46	1,368.51	1,672.62	1,976.74	2,280.85	2,737.02	3,193.19
Darren Valley	914.14	1,066.49	1,218.85	1,371.20	1,675.91	1,980.62	2,285.34	2,742.40	3,199.46
Draethen, Waterloo & Rudry	923.50	1,077.42	1,231.34	1,385.25	1,693.08	2,000.92	2,308.75	2,770.50	3,232.25
Gelligaer	916.10	1,068.77	1,221.46	1,374.14	1,679.51	1,984.87	2,290.24	2,748.28	3,206.32
Llanbradach & Pwllypant	917.73	1,070.68	1,223.64	1,376.59	1,682.50	1,988.41	2,294.32	2,753.18	3,212.04
Maesycwmmmer	914.74	1,067.20	1,219.66	1,372.11	1,677.02	1,981.94	2,286.85	2,744.22	3,201.59
Nelson	914.17	1,066.53	1,218.89	1,371.25	1,675.97	1,980.70	2,285.42	2,742.50	3,199.58
New Tredegar	910.46	1,062.19	1,213.94	1,365.68	1,669.17	1,972.65	2,276.14	2,731.36	3,186.58
Penyrheol, Trecenydd & Energlyn	911.68	1,063.62	1,215.57	1,367.51	1,671.40	1,975.29	2,279.19	2,735.02	3,190.85
Rhymney	911.37	1,063.26	1,215.16	1,367.05	1,670.84	1,974.63	2,278.42	2,734.10	3,189.78
Risca East	910.01	1,061.67	1,213.35	1,365.01	1,668.35	1,971.68	2,275.02	2,730.02	3,185.02
Risca West	921.34	1,074.90	1,228.46	1,382.01	1,689.12	1,996.24	2,303.35	2,764.02	3,224.69
Van	913.10	1,065.27	1,217.46	1,369.64	1,674.01	1,978.37	2,282.74	2,739.28	3,195.82
Remainder	902.01	1,052.34	1,202.68	1,353.01	1,653.68	1,954.35	2,255.02	2,706.02	3,157.02

being the amounts given by multiplying the amounts at (2)(g) and (2)(h) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in a particular valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

3. That it be noted that for the year 2023/2024 the major precepting authority has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

<u>Valuation Bands</u>	A	B	C	D	E	F	G	H	I
	£	£	£	£	£	£	£	£	£
<u>Precepting Authority</u>									
Police and Crime Commissioner for Gwent	216.35	252.40	288.46	324.52	396.64	468.75	540.87	649.04	757.21

4. That having calculated the aggregate in each case of the amounts at (2)(i) and (3) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts of Council Tax for the year 2023/2024 for each of the categories of dwellings shown below:-

<u>Valuation Bands</u>	A	B	C	D	E	F	G	H	I
	£	£	£	£	£	£	£	£	£
Aber Valley	1,131.64	1,320.23	1,508.85	1,697.45	2,074.67	2,451.87	2,829.09	3,394.90	3,960.71
Argoed	1,128.69	1,316.80	1,504.92	1,693.03	2,069.26	2,445.49	2,821.72	3,386.06	3,950.40
Bargoed	1,149.33	1,340.87	1,532.43	1,723.98	2,107.09	2,490.19	2,873.31	3,447.96	4,022.61
Bedwas, Trethomas & Machen	1,136.83	1,326.29	1,515.77	1,705.24	2,084.19	2,463.13	2,842.07	3,410.48	3,978.89
Blackwood	1,131.69	1,320.30	1,508.92	1,697.53	2,074.76	2,451.99	2,829.22	3,395.06	3,960.90
Caerphilly	1,128.69	1,316.80	1,504.92	1,693.03	2,069.26	2,445.49	2,821.72	3,386.06	3,950.40
Darren Valley	1,130.49	1,318.89	1,507.31	1,695.72	2,072.55	2,449.37	2,826.21	3,391.44	3,956.67
Draethen, Waterloo & Rudry	1,139.85	1,329.82	1,519.80	1,709.77	2,089.72	2,469.67	2,849.62	3,419.54	3,989.46
Gelligaer	1,132.45	1,321.17	1,509.92	1,698.66	2,076.15	2,453.62	2,831.11	3,397.32	3,963.53
Llanbradach & Pwllypant	1,134.08	1,323.08	1,512.10	1,701.11	2,079.14	2,457.16	2,835.19	3,402.22	3,969.25
Maesycwmmer	1,131.09	1,319.60	1,508.12	1,696.63	2,073.66	2,450.69	2,827.72	3,393.26	3,958.80
Nelson	1,130.52	1,318.93	1,507.35	1,695.77	2,072.61	2,449.45	2,826.29	3,391.54	3,956.79
New Tredegar	1,126.81	1,314.59	1,502.40	1,690.20	2,065.81	2,441.40	2,817.01	3,380.40	3,943.79
Penyrheol, Trecenydd & Energlyn	1,128.03	1,316.02	1,504.03	1,692.03	2,068.04	2,444.04	2,820.06	3,384.06	3,948.06
Rhymney	1,127.72	1,315.66	1,503.62	1,691.57	2,067.48	2,443.38	2,819.29	3,383.14	3,946.99
Risca East	1,126.36	1,314.07	1,501.81	1,689.53	2,064.99	2,440.43	2,815.89	3,379.06	3,942.23
Risca West	1,137.69	1,327.30	1,516.92	1,706.53	2,085.76	2,464.99	2,844.22	3,413.06	3,981.90
Van	1,129.45	1,317.67	1,505.92	1,694.16	2,070.65	2,447.12	2,823.61	3,388.32	3,953.03
Remainder	1,118.36	1,304.74	1,491.14	1,677.53	2,050.32	2,423.10	2,795.89	3,355.06	3,914.23

The meeting closed at 7.52 pm

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 23rd May 2023 they were signed by the Mayor.

MAYOR

Agenda Item 7



COUNCIL

MINUTES OF THE MULTI-LOCATIONAL MEETING HELD IN THE CHAMBER PENALLTA HOUSE AND VIA MICROSOFT TEAMS ON WEDNESDAY, 15TH MARCH 2023 AT 5.00PM

PRESENT:

Councillor E.M. Aldworth - Mayor
Councillor M.A. Adams - Deputy Mayor

Councillors:

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

Together with:

C. Harrhy (Chief Executive), R. Tranter (Head of Legal Services and Monitoring Officer), R. Edmunds (Corporate Director Education and Corporate Services), D. Street (Corporate Director Social Services and Housing), M.S. Williams (Corporate Director Economy and Environment), S. Harris (Head of Financial Services and Section 151 Officer), L. Lane (Head of Democratic Services and Deputy Monitoring Officer), K. Peters (Corporate Policy Manager), H. Delonnette (Policy Officer), S. Pugh (Head of Communications), E. Sullivan (Senior Committee Services Officer), R. Barrett (Minute Taker)

ANNOUNCEMENT – DEFERMENT OF AGENDA ITEM NO. 8

Council were advised that in response to various communications received, and with the agreement of the Mayor, Agenda Item No. 8 (Proposed Voluntary Termination of the Caerphilly CBC Schools PFI Contract) had been deferred to allow Members time to consider the full business case, prior to discussion at a special meeting of Council to be held on 19th April 2023.

RECORDING, FILMING AND VOTING ARRANGEMENTS

The Chief Executive reminded those present the meeting was being live streamed, and a recording would be available following the meeting via the Council's website – [Click Here to View](#). She advised that decisions would be made by Microsoft Forms.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors D.T Davies MBE, J. Simmonds, J.

Rao, D. Cushing, D. Price, J. Scriven and S. Skivens.

2. MAYOR'S ANNOUNCEMENTS

The Mayor referred to the engagements and events she had attended since the last meeting of Council and advised Members that she recently had the pleasure of attending an Army Engagement Evening at Lewis School Pengam, which was a very interesting evening exploring potential career prospects within the army for young people. Both the Mayor and Deputy Mayor attended a St David's Day Civic Service along with the Mayor of Cardiff Council. The Mayor was also very pleased to attend the opening of Sight Cymru's first charity shop in Blackwood, who have been operating across the region since 1865 and provide an invaluable service to help people with sight loss.

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

Councillor Walter Williams presented a petition on behalf of local residents and Argoed Community Council, which asked the Council to provide a safe pedestrian crossing and barrier at the junction of Abernant Road and Pant y Cefn Road, remove the mini roundabout, and return it to a junction controlled by a stop sign and double white lines.

The Mayor accepted the petition which would be actioned in accordance with the Council's Constitution.

4. PRESENTATION OF AWARDS

Waste Crew

The Cabinet Member for Waste, Leisure and Green Spaces advised Council that three members of the Food and Green Waste Collection Team (Craig Jarvis, Simon Kentfield and David Lemin) regularly visit Abertridwr Community Church for hot drinks and have become friendly with the volunteers working at the centre.

After learning that one volunteer is a big fan of the Welsh International Football player, Gemma Evans, they contacted her to ask for a signed photograph for the volunteer. The crew were really pleased when Gemma sent them a signed Welsh Shirt, which they had framed. Craig, Simon and David wrapped the framed shirt and presented it to the volunteer at her home on Christmas morning. This certainly was an example of Council staff going above and beyond their duties and is something that they, and the volunteers at the centre, will always remember.

It was noted that unfortunately Simon Kentfield was unable to attend this evening's meeting, but Craig Jarvis and David Lemin were invited forward by the Mayor in order for Members to recognise their kind and thoughtful gesture.

Malgwyn Davies OBE, High Sheriff of Gwent

The Mayor introduced the award which recognised the achievements of Mr Malgwyn Davies OBE, the High Sheriff of Gwent, and Caerphilly Council's first ever Chief Executive following local government reorganisation back in 1996.

Over the past 12 months, Mr Davies OBE has been undertaking the role of High Sheriff of Gwent, which dates back over a thousand years and entails a range of duties such as raising the profile of voluntary and youth organisations and supporting emergency services and

other community organisations across Gwent. The Mayor paid tribute to the work of Mr Davies OBE, who has been extremely proactive in this role and has worked hard to support the whole community during his 12-month appointment, which is now coming to an end.

Several Members also paid tribute to the work of Mr Davies OBE and commended him on the diligent and professional manner in which he had carried out his duties during his time as Chief Executive.

Mr Davies OBE was invited forward in order for Council formally thank him for his dedication to the role and accept a small gift on behalf of the Council and residents across the county borough.

Mr Davies OBE thanked Council for the unexpected award and for honouring him at the meeting. He expressed his pride at being the first former local government employee to hold the position of High Sheriff of Gwent and for being able to represent the county borough at this prestigious level, a role which he has thoroughly enjoyed, and thanked Caerphilly Council for all the support and assistance that had been given to him during his year in office.

5. DECLARATIONS OF INTEREST

During the course of the meeting, Councillor L. Phipps and J. Winslade declared personal interests in relation to Agenda Item No. 12 – Bedwas Rugby Football Club in that family members play for the club in a non-professional capacity. As this was a personal interest only there was no requirement for them to leave the meeting and they could take full part in the debate and vote. Details are also minuted with the respective item.

6. COUNCIL HELD ON 17TH JANUARY 2023

RESOLVED that the minutes of Council held on 17th January 2023 (minute nos. 1-13) be approved as a correct record.

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

Question from Councillor A. Hussey to the Cabinet Member for Education and Communities, Councillor C. Andrews

Would the Cabinet Member for Education and Communities give an update about the work of the Caerphilly Cares Team?

Response from the Cabinet Member for Education and Communities to Councillor A. Hussey

Caerphilly Cares has given out over 450 Warm Packs to residents and received over 5000 calls and 2000 emails from residents asking for help. There are now over 53 Welcoming Spaces delivered by 39 organizations across the county borough, and following an evaluation, there will be an opportunity for these spaces to continue into the spring, with less emphasis on providing warmth and more on reducing social isolation and loneliness. We have also provided 46 community organisations and groups to obtain funding worth over £250,000. Over 300 individuals have been supported on a one-to-one basis and 78 have been helped to access local community provision, and the first two recipients of the Hardship Fund are about to receive payments. The Hardship Fund is for those residents who are unable to receive financial support from any other organisations. There have been over 1000 residents supported to apply for the Welsh Government winter fuel payment and there

have also been over 800 food parcels arranged, 800 successful applications for discretionary housing payments, energy advice has been given to over 250 tenants and we have provided 350 referrals to the Citizens Advice Bureau for debt and money advice. The second Cost of Living newsletter has been printed and is in the process of being delivered to homes throughout the county borough. It will also be available in libraries and job centres and Caerphilly Cares will have a supply when they attend the events planned throughout the spring and summer months.

£3.2m of additional income has been generated for residents during the 21/22 financial year and there has been a roll out of support to assist Catering, Education, Council Tax and the Benefits Teams taking calls and referrals. The Community Connectors have been compiling case studies, and some of the ones to note include a resident who had a back payment of PIP of £10,000 and had an increased income of £225 per week. Another resident had their weekly income increased by £159 and also discovered they were entitled to free dental and eye care and a free TV licence. A third resident was assisted with a benefits check and had their income increased by over £700 a month. These are only some of the ways that the team is working to aid our residents across all departments of the Council and with other organisations, and I would like to thank all our employees and volunteers for their efforts in helping with this.

REPORTS OF OFFICERS

Consideration was given to the following reports.

8. PROPOSED VOLUNTARY TERMINATION OF THE CAERPHILLY CBC SCHOOLS PFI CONTRACT

As noted at the start of the meeting, this item was deferred to a special meeting of Council to be held on 19th April 2023.

9. PUBLICATION OF THE PAY POLICY STATEMENT

Consideration was given to the report which sought Council approval for the publication of the Authority's Pay Policy Statement 2023/24. Council noted that the Pay Policy Statement as attached at Appendix 1 is a statement of fact and contains the fully details of the remuneration position for the Council for 2023/24. It is a legislative requirement that this information is published on an annual basis by the 31st March each year. The Pay Policy Statement will be published on the Council's Website and will be available for access by members of the public.

There were no questions received on the contents of the report and it was moved and seconded that the recommendations contained in the Officer's report be approved. By way of Microsoft Forms and verbal confirmation (and in noting there were 52 for, 0 against and 7 abstentions) this was agreed by the majority present.

RESOLVED that:-

- (i) the attached Pay Policy Statement 2023/24 (Version 12) be agreed for publication on the Council's website;
- (ii) the amendments to Grades 1-3 on the National Joint Council (NJC) for Local Government Services Pay Structure at Appendix A of the Pay Policy 2023/24 be agreed.

10. GWENT PUBLIC SERVICES BOARD – WELL-BEING PLAN 2023-2028

Consideration was given to the report, which sought Council approval of the draft Gwent Public Services Board (PSB) Well-being Plan 2023 - 2028 in order to progress to final publication before the 5th May 2023.

Members were advised that this is the first Gwent Well-being Plan for approval as a statutory member of the Gwent Public Services Board. Public Service Boards have a duty under the Well-being of Future Generations (Wales) Act 2015 to produce a Well-being Plan that aims to improve the social, economic, environmental and cultural wellbeing of its area, contribute to the seven national well-being goals, and use the five ways of working as a framework. In September of 2021, the five existing PSBs in the Gwent region merged to form the Gwent PSB.

Building on the strong partnership arrangements that already existed together, the first Gwent Well-being Assessment was published with supporting local community area assessments identifying the key issues affecting local communities. Using these key themes, a draft Well-being Plan was developed and consulted on widely with local communities, stakeholders and regulators, and the information gathered during the consultation was used to further refine the Gwent Well-being Plan. This Plan sets the regional direction for collaborative working, identifies where the PSB can add most value and provides a common approach across the region to ensure that all residents benefit. A Local Delivery Group has been set up in each local area to focus on the local issues and how to address these, enabling work and effort to be concentrated where they will make the most difference. Work will continue over the next few months to develop detailed delivery plans at a local and regional level, including actions for the short, medium and long term, together with performance measures to assess the difference being made.

Assurances were given that Caerphilly Council will continue to have a local response to the Gwent Public Services Board plan through the Caerphilly Local Delivery Group, ensuring that public sector agencies are represented, together with the voluntary sector and town and community councils. The Local Delivery Plan will contribute to the regional priorities and will set out what Caerphilly will do in collaboration with the other LDGs across Gwent to make things better for local communities.

Council discussed the report, and in response to a query on local resident representation within the Local Delivery Group, Officers explained that it has been recognised that the group needs to widen its representation to ensure that they are identifying the local issues as part of the new Well-being Plan. It was noted that the Group currently includes a Town and Community Council sector representative, and the Group are also looking to include a housing provider representative, as housing has been identified as a priority in the Local Delivery Plan.

Clarification was sought on the progress of the participatory budgeting programme across Caerphilly County Borough, and it was explained that this is money which has been allocated to the community through Regional Partnership Board arrangements via the Local Delivery Group. The Council are about to enter into an arrangement with GAVO to deliver the programme on their behalf, and over the next few months, work on this programme will begin to take place with local communities.

Following consideration of the report it was moved and seconded that the recommendations contained in the Officer's report be approved. By way of Microsoft Forms and verbal confirmation (and in noting there were 59 for, 0 against and 1 abstention) this was agreed by the majority present.

RESOLVED that it be noted that the Gwent Public Services Board has produced its final draft Well-being Plan and that the Plan be approved so that it can progress to final publication before the 5th May 2023.

11. PUBLIC INTEREST TEST

Members considered the Public Interest Test and concluded that on balance the public interest in maintaining the exemption outweighed the public interest in disclosing the information. By way of Microsoft Forms and verbal confirmation and in noting there were 52 for, 2 against and 4 abstentions this was agreed by the majority present.

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

Having accepted the Public Interest Test the live stream and recording of the meeting was stopped and Council moved into exempt session.

12. BEDWAS RUGBY FOOTBALL CLUB

During the course of debate, Councillor L. Phipps and J. Winslade declared personal interests in relation to this item, in that family members play for the club in a non-professional capacity. As this was a personal interest only there was no requirement for them to leave the meeting and they could take full part in the debate and vote.

An amendment was moved and seconded and by way of Microsoft Forms and verbal confirmation (and in noting there were 17 for, 36 against and 4 abstentions) the amendment was declared lost.

Having fully considered the Officer's report, it was moved and seconded that the recommendations contained therein plus an additional recommendation (3.1.4) be approved. By way of Microsoft Forms (and in noting there were 43 for, 2 against and 11 abstentions) this was agreed by the majority present.

RESOLVED that Recommendations 3.1, 3.1.1, 3.1.2, 3.1.3 as set out in the report and additional Recommendation 3.1.4 be approved.

The meeting closed at 6.28 p.m.

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 23rd May 2023 they were signed by the Mayor.

MAYOR



SPECIAL COUNCIL

MINUTES OF THE MULTI-LOCATIONAL MEETING HELD IN THE CHAMBER PENALLTA HOUSE AND VIA MICROSOFT TEAMS ON WEDNESDAY, 19TH APRIL 2023 AT 5.00PM

PRESENT:

Councillor E.M. Aldworth - Mayor
Councillor M.A. Adams - Deputy Mayor

Councillors:

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

Together with:

C. Harrhy (Chief Executive), R. Tranter (Head of Legal Services and Monitoring Officer), R. Edmunds (Corporate Director for Education and Corporate Services), M.S. Williams (Corporate Director for Economy and Environment), S. Harris (Head of Financial Services and Section 151 Officer), J. Southcombe (Finance Manager), S. Richards (Head of Transformation and Education Planning and Strategy), A. West (21st Century Schools Admissions and Exclusions Manager), S. Pugh (Head of Communications), E. Sullivan (Senior Committee Services Officer), R. Barrett (Minute Taker)

Also present:

M. Read (Project Director – Local Partnerships)

RECORDING, FILMING AND VOTING ARRANGEMENTS

The Chief Executive reminded those present the meeting was being live streamed, and a recording would be available following the meeting via the Council's website – [Click Here to View](#). She advised that decisions would be made by Microsoft Forms.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors P. Cook, G. Ead, J. Jones, A. Leonard, D. Price and S. Skivens, together with D. Street (Corporate Director Social Services and Housing).

2. DECLARATIONS OF INTEREST

The following declarations were received in respect of Agenda Item No. 3 – Proposed Voluntary Termination of the Caerphilly CBC School PFI Contract.

Councillor L. Phipps declared a personal interest in this item as her sister works at Ysgol Gyfun Cwm Rhymni (Y Gwindy site) and her niece attends the Ysgol Gyfun Cwm Rhymni (Gellihaf site).

Councillor C. Wright declared a personal interest in this item as her son attends Ysgol Gyfun Cwm Rhymni.

Councillor A. Whitcombe declared a personal interest in this item as his granddaughter attends Ysgol Gyfun Cwm Rhymni.

Councillor C.P. Mann declared a personal interest in this item as he is a LEA appointed Governor at Ysgol Gyfun Cwm Rhymni.

Councillor J.E. Roberts declared a personal interest in this item as his grandchildren attend Ysgol Gyfun Cwm Rhymni.

Councillor R. Chapman declared a personal interest in this item as his granddaughter attends Ysgol Gyfun Cwm Rhymni.

Councillor M.P. James declared a personal interest in this item as he is a LEA appointed Governor of Lewis School Pengam

Members were advised that as these were personal interests only, they could take full part in the debate and vote.

REPORTS OF OFFICERS

Consideration was given to the following report.

3. PROPOSED VOLUNTARY TERMINATION OF THE CAERPHILLY CBC SCHOOL PFI CONTRACT

Declarations of interest were received from Councillors L. Phipps, C. Wright, A. Whitcombe, C.P. Mann, J.E. Roberts, R. Chapman, and M.P. James. All declarations related to a personal interest only, with full details minuted above, and the Members remained in the meeting during consideration of the item.

Consideration was given to the report, which provided details of a proposal to voluntarily terminate the Caerphilly CBC School PFI Contract and sought Council approval of the proposal, which had been considered by the Joint Scrutiny Committee on 28th February 2023 and presented to Cabinet on 8th March 2023.

Members were advised that over a number of years, the Council has sought to achieve savings from the School PFI Contract, to ensure value for money services are being provided to the schools and to minimise affordability implications. The Council has considered all options, including increasing the contract management, reviewing the services provided to identify and implement savings, and using mechanisms in the Contract such as benchmarking to reduce costs. However, despite the funding support from Welsh Government (WG), there continues to be a significant affordability gap between the Council's normal school funding levels and the payments made to the Contractor. As such, a business

case has been prepared setting out details of a proposal to voluntarily terminate the School PFI Contract.

Council were advised that the report sought to include as much detail as possible to enable Members to have a constructive debate in open session. However, commercially sensitive information from the business case was not included in the report so as not to compromise negotiations that will need to take place with the PFI contractor.

The proposal was considered by a joint meeting of the Policy and Resources and Education Scrutiny Committees on 28th February 2023, and prior to this, a briefing note was shared with the headteachers and Chairs of Governors of the two PFI schools, which was largely based on the content of the Council report. The report was originally scheduled for Council consideration on 15th March 2023, but was deferred to 19th April 2023 to allow all interested parties more time to fully consider the proposal and provide further views prior to a final decision being made. Representatives of both school governing bodies had since taken the opportunity to confidentially read the business case and reading days for Members had also been arranged on 27th March 2023, 5th April 2023 and 13th April 2023 to allow them to confidentially review the business case. Following this process, a number of further questions were raised by the two PFI schools and the details of these, along with the Officer responses, were provided in Appendix 4 of the report. A further letter was also received on 18th April 2023 from the Chair of Governors of Ysgol Gyfun Cwm Rhymini which was circulated to all Members ahead of the meeting of Council.

Council were advised that the business case is based on a proposed termination date of 31st July 2023. However, due to the rearranged date for Council consideration of the proposal, this termination date is no longer achievable, and subject to Council approval of the proposal, the earliest termination date is now likely to be October 2023. The financial assessment in the business case shows a significant net financial benefit for both Best Case and Worst Case scenarios, and early indications are that the revenue budget savings for the Authority may be circa £2m per annum. The actual level of savings cannot be determined with certainty unless a termination actually takes place, but it is clear that the financial benefit is significant. The revised earliest termination date of October 2023 will not materially impact on the financial assessment.

It was noted that should the proposal be agreed by Council, then following payment of the compensation sum, a further report will be presented to Council setting out details of the funding of the payment, the revenue budget savings arising and the options for utilising the savings.

Members were reminded that the Council continues to face significant financial challenges and budgetary pressures, and that proceeding with the proposed voluntary termination would allow the Council to realise revenue budget savings that can support the delivery of the Medium Term Financial Plan and may also provide an opportunity for some capital investment across the wider education estate. It was emphasised that the proposal is purely a contractual matter between the Council and the PFI contractor on a number of non-educational services, including building maintenance, catering and grounds maintenance, and that none of the options outlined in the report were likely to negatively impact pupil attainment. Should the proposals be supported, these will bring clarity to the way that schools across the county borough are funded and operated by the local authority, ensuring a fairer approach to funding across all schools, and will also produce a significant annual saving through the early termination of the PFI Contract. Assurances were also given that both schools would be kept informed, updated and supported by the Authority throughout the process.

Council discussed the report and one Member expressed reservations around the potential implications arising from the proposal, including future service provision, building repair liability and redundancy costs, and expressed the view that overall the proposal did not offer

value for money, although he was pleased that the termination date had been postponed to October 2023 which would allow schools sufficient time to secure new contract providers.

Mr Steve Harris (Head of Financial Services and Section 151 Officer) confirmed that the Authority has done everything possibly to address the concerns of schools, which were outlined in detail and responded to within the report. In terms of building maintenance, the business case figure has been based on condition surveys undertaken in 2018, and new condition surveys would be undertaken at both schools which may result in a higher or lower figure. However, should this figure increase, then the Authority will take account of this in their negotiations with the PFI contractor, and should they not complete these works before handover, then the Authority would seek a reduction in the compensation payment.

In terms of redundancy costs, it was explained that these would only apply if existing staff do not transfer to new service providers, with it highlighted that TUPE provisions would apply and in the event of the schools procuring services from the Council, then existing staff would transfer to Council employment. In terms of financial equity, if voluntary termination were to proceed, then capital and maintenance works funding for the two PFI schools would be addressed in the same way as every other school in the county borough. In terms of savings, it was emphasised that the Authority has worked very closely with Local Partnerships on the business case, which includes both best and worst-case scenarios, and which demonstrate that significant savings are achievable from this process. Members were reassured that if at any point, it becomes apparent that the savings are not achievable and it is not in the financial interests of the Council to proceed, then a further report would be brought back to Council in this regard.

In response to a Member's query on community use of these schools in the evenings, Mrs Sue Richards (Head of Transformation and Education Planning and Strategy) confirmed that one of the Council's strategies is to maximise after-school use, and the Authority would have the increased ability to use school buildings in this way, should Members agree to voluntary terminate the PFI contract.

One Member referred to a series of questions which he had circulated to Cabinet Members and Officers, including queries relating to financial estimates and assessments, cost savings, building surveys, contractor discussions, and compensation payments arising from the proposals, together with aspects of the process that had been approved under delegated powers. Mr Robert Tranter (Head of Legal Services and Monitoring Officer) and Mr Richard Edmunds (Corporate Director – Education and Corporate Services) confirmed that both emails from the Member had been received and responded to, and that the responses to the questions had also been circulated to all Members for their information.

One Member expressed concerns around the proposed timeframes and the speed of the consultation process to date and suggested that the final saving figures should be presented to Council before Members were asked to make a decision on the proposal. Mr Harris confirmed that all responses to the consultation process were detailed in the report, and that in terms of timescales, if the proposal were to be agreed, the Council will have a 6-month timeframe to carry out the necessary work to terminate the PFI contract, with the condition surveys scheduled for the school summer holiday period. It was emphasised that this will be a lengthy and comprehensive process comprising work with Local Partnerships, with the timeline to be revised to incorporate the new anticipated termination date, and that following agreement of the final terms of the termination under delegated powers and payment of the compensation sum, a further report will be brought back to Council setting out further details and the options for utilising the savings.

A Member questioned whether a significant level of savings arising from the proposal would be achievable, given that the final payments were yet to be confirmed. Mr Harris explained that the business case outlines how the compensation payments in the Best Case and Worst Case scenarios would be funded, through a combination of existing PFI reserves and

borrowing, which demonstrates that savings of up to £2m per annum are achievable, although it was emphasised that the final savings will depend on determination of the final compensation sum.

A Member referred to the recommendation which sought provision for the final terms of the termination to be agreed under delegated powers, and sought clarification on whether there were any regulations which define a maximum monetary level for delegated decisions. Officers confirmed that they were not aware of any such restrictions and explained that delegated authority would be given to the Head of Financial Services and Section 151 Officer, the Head of Legal Services and Monitoring Officer, and the Cabinet Member for Finance and Performance. Mr Harris emphasised that the proposal would not proceed if it became apparent that it is not in the financial interests of the Council to do so, and also explained that as the Council's Chief Financial Officer, he has a responsibility to ensure that any deal meets the requirements of the CIPFA Prudential Code for Capital Finance in Local Authorities for it to be prudent and affordable. Therefore, Members were being asked to agree that this delegated authority be given to the relevant Officers so that this responsibility can be discharged.

Clarification was sought on whether there would be any detriment to school pupils as a result of the proposals, and whether leisure facilities at the schools would be available to local residents on the evenings and weekends. Mrs Richards explained that such use is currently limited, but the Authority would be seeking to extend community use of the site to 7 days a week. In terms of educational impact, Members were reminded that Ysgol Gyfun Cwm Rhymni sits on two sites and that the Y Gwyndy site is already a non-PFI site that is funded and managed in the same way as all other Caerphilly schools, and on that basis, there would be no anticipated impact on pupil education across the two schools.

A Member asked if the PFI condition surveys were based on current inflation rates or 2018 levels and referred to the borrowing that would be needed to help fund the proposal. Mr Harris explained that the £982k figure for backlog maintenance is based on 2018 levels and has not been adjusted for inflation, but since that time some of these works will have been undertaken, and that although there will be higher costs due to inflation, these will help negotiations in terms of the final compensation sum to be paid. It was also explained that although some borrowing is needed to assist in the settlement, this presents a much better financial deal for the Council than the current PFI situation.

One Member sought clarification on the concerns around services raised by the two schools, given that the Council already supplies services to the non-PFI Y Gwyndy site, and another Member expressed reservations over the proposal and whether the Authority would be able to match the PFI level of service at these schools. Mrs Richards explained that through a series of meetings with the headteachers of both schools, some of these concerns had been alleviated, and that furthermore, the Council will be working with the schools to support them throughout this process with a minimum impact on everyone involved in the proposal.

A Member queried whether it was prudent to use reserves to help fund the proposal, and Mr Harris explained that these particular reserves were established for PFI use and can be used to help fund the compensation sum. Additionally, the WG financial contribution to the PFI contract will continue for the next 9.5 years, which puts the Council in a strong financial position.

Following consideration of the report, it was moved and seconded that the recommendations in the report be approved. By way of Microsoft Forms and verbal confirmation and in noting that there were 42 for, 12 against and 8 abstentions, this was agreed by the majority present.

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

- (i) the proposal to voluntarily terminate the Council's School PFI Contract be

approved;

- (ii) delegated authority be given to the Head of Financial Services and Section 151 Officer, the Head of Legal Services and Monitoring Officer, and the Cabinet Member for Finance and Performance to agree the final terms of the termination;
- (iii) the final compensation sum and other associated external adviser costs be funded through a combination of existing PFI reserves and borrowing;
- (iv) the borrowing requirement be determined by the Head of Financial Services and Section 151 Officer in line with the requirements of the CIPFA Prudential Code for Capital Finance in Local Authorities;
- (v) a further report be presented to Council following the payment of the compensation sum setting out details of the funding of the payment, the revenue budget savings arising, and the options for utilising the savings.

The meeting closed at 6.11 p.m.

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 23rd May 2023 they were signed by the Mayor.

MAYOR



COUNCIL – 23RD MAY 2023

SUBJECT: NOTICE OF MOTION – FOSTER FAMILY FRIENDLY EMPLOYER

REPORT BY: CORPORATE DIRECTOR EDUCATION AND CORPORATE SERVICES

1. PURPOSE OF REPORT

1.1 Council is asked to consider the Notice of Motion as set out in paragraph 5.1 of the report and make an appropriate recommendation. In accordance with Rule 11(3) of the Constitution.

2. SUMMARY

2.1 A Notice of Motion has been received from Councillor E. Forehead and is supported by Councillor T. Heron and by Councillors N. George, P. Leonard, C. Andrews, S. Cook, C. Morgan, J. Simmonds, E. Stenner, J. Pritchard, S. Morgan.

2.2 The Notice of Motion met the criteria set out in the Council's Constitution and in accordance with the Council's Rules of Procedure was considered by the Social Services Committee at its meeting on 24th January 2023.

3. RECOMMENDATION

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

4. REASONS FOR THE RECOMMENDATION

4.1 In accordance with the Council's Constitution.

5. THE REPORT

5.1 Notice of Motion

In her notice of motion Councillor E. Forehead asks Council to consider making Caerphilly County Borough Council a Foster Family Friendly Employer, giving staff that foster children extra support in balancing their work and care responsibilities.

We are a local authority who can recognise the need for flexibility at work to meet the needs of foster children, which is why we are committed to supporting our colleagues who are foster carers.

We support this motion for our foster carers – as well as those who care for children of family or friends, such as a grandparent caring permanently for their grandchild – will be offered up to 5 days paid leave to attend training or meetings relating to their role as a carer.

Employees will also be entitled to additional unpaid time off work to deal with unexpected emergencies, such as welcoming a child into their home at short notice.

Becoming a foster friendly employer will strengthen the links that are needed to ensure we, as a local authority, show a strong corporate social responsibility.

- 5.2 In support of the notice of motion Councillor Forehead asks Council to note that Foster Carers play a vital role in safeguarding our most vulnerable children. They become the expert on the child they care for and are dedicated to supporting each child to their full potential. This can only happen with support and encouragement from their networks.

6. ASSUMPTIONS

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

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

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

8. FINANCIAL IMPLICATIONS

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

9. PERSONNEL IMPLICATIONS

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

10. CONSULTATIONS

- 10.1 The Notice of Motion was considered by the Social Services Scrutiny Committee on 23rd January 2023 and unanimously recommended to Council that the Notice of

Motion be supported.

11. STATUTORY POWER

11.1 Local Government Act 2000

Author: Lisa Lane Head of Democratic Services and Deputy Monitoring Officer

Appendices: Appendix 1 Signed copy of the Amended Notice of Motion.

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NOTICE OF MOTION – FOSTER FAMILY FRIENDLY EMPLOYER

To consider the Notice of Motion standing in the name of County Borough Councillor E. Forehead, supported by Councillor T. Heron and by the Members listed.

Foster carers play a vital role in safeguarding our most vulnerable children. They become the expert on the child they care for and are dedicated to supporting each child to their full potential.

This can only happen with support and encouragement from their networks

We propose that Caerphilly County Borough Council become foster-family-friendly employer, giving staff that foster children extra support in balancing their work and care responsibilities. We are a local authority who can recognise the need for flexibility at work to meet the needs of foster children, which is why we are committed to supporting our colleagues who are foster carers

We support this motion for our foster carers – as well as those who care for children of family or friends, such as a grandparent caring permanently for their grandchild – will be offered up to 5 days paid leave to attend training or meetings relating to their role as a carer.

Employees will also be entitled to additional unpaid time off work to deal with unexpected emergencies, such as welcoming a child into their home at short notice. Becoming a foster friendly employer will strengthen the links that are needed to ensure we, as a local authority, show a strong corporate social responsibility

Councillor Elaine Forehead



Councillor Teresa Heron



Supported by Councillors: N. George, P. Leonard, C. Andrews, S. Cook, C. Morgan, J. Simmonds, E. Stenner, J. Pritchard, S. Morgan.

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COUNCIL – 23RD MAY 2023

SUBJECT: NOTICE OF MOTION – FUEL POVERTY

REPORT BY: CORPORATE DIRECTOR EDUCATION AND CORPORATE SERVICES

1. PURPOSE OF REPORT

- 1.1 Council is asked to consider the Notice of Motion as set out in paragraph 5.1 of the report and make an appropriate recommendation. In accordance with Rule 11(3) of the Constitution.

2. SUMMARY

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

3. RECOMMENDATION

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

4. REASONS FOR THE RECOMMENDATION

- 4.1 In accordance with the Council's Constitution.

5. THE REPORT

5.1 Notice of Motion

At the Environment and Sustainability Scrutiny Committee Councillor Andrews made an amendment to her motion which is set out in full below, with the changes highlighted.

In her notice of motion Councillor C. Andrews calls on the Leader of Council to write

to UK Government to pass legislation to **prevent energy companies entering people's homes and fitting pre-pay meters, unless asked to do so by the householder concerned. In addition, people should be given the right to have pre-payment meters removed from their home.**

5.2 Councillor Andrews provides the following information in support of her notice of motion:-

The Welsh Government has defined fuel poverty as households "having to spend more than 10 per cent of income (including housing benefit) on all household fuel used to maintain a satisfactory heating regime".

During this current Cost of Living Crisis energy prices have surged this winter and suppliers have stepped up the use of court warrants to force their way into homes to install prepayment meters, with some magistrates approving hundreds of applications at a time. For homes with smart meters, the change can be made remotely without even needing a warrant.

Citizen's Advice estimates 600,000 people were forced to make the switch away from credit meters after racking up debt with their energy supplier in 2022, compared with 380,000 in 2021 and it predicts that 160,000 more people could be moved onto a prepayment meter by the end of winter.

People using prepayment meters pay for their gas and electricity by topping up their meter, either through accounts or by adding credit to a card in a convenience store or post office.

Prepay meters charge for energy at a higher rate than contracts where the customer pays monthly or by direct debit, and people in debt are often left with no choice but to "self-disconnect". For many, running out of credit is not a one-off event, leaving residents unable to cook or heat their homes. There is a fear that this will lead to "disconnection by the back door". *Citizens Advice also found:*

- More than 2 million people are being disconnected from their energy supply once a month.
- 1 in 5 prepayment customers who have been disconnected from their energy supply in the past year said it had been for more than 24 hours at least once.
- 1 in 3 people on prepayment meters said that they had "self-disconnected" at least once in the past year because they could not afford to top up.

In response to public and media pressure Ofgem, the energy Regulator for Great Britain, has put in place a temporary ban on pre-payment meters, initially until the 31 March 2023. This has now been extended until energy companies sign up to the Ofgem Code of Practice which requires suppliers to have effective checks and balances in place when switching people to a smart meter. Under Ofgem rules companies must also offer payment plans people can afford and offer emergency credit for people who use a prepay meter and can't top up.

6. ASSUMPTIONS

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

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

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

8. FINANCIAL IMPLICATIONS

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

9. PERSONNEL IMPLICATIONS

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

10. CONSULTATIONS

- 10.1 The Notice of Motion was considered by the Environment and Sustainability Scrutiny Committee at its meeting on the 21st March 2023.
- 10.2 Members expressed the opinion that fuel poverty was a complex issue that needed consideration not only in terms of pre-paid meters, which were a valid preference for many people, but in the wider context of individuals own budgeting and money management abilities. Members agreed that the installation of meters without the homeowner's consent was not acceptable and urgent action was needed to stop this practice by energy companies who were amassing huge profits as fuel prices skyrocketed.
- 10.3 The Environment and Sustainability Scrutiny Committee having considered the Notice of Motion by way of Microsoft Forms and in noting there were 14 For and 1 Abstention RECOMMENDED to Council that it be supported.

11. STATUTORY POWER

- 11.1 Local Government Act 2000

Author: Emma Sullivan (Senior Committee Services Officer)

Appendices: Appendix 1 Signed copy of the Amended Notice of Motion.

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NOTICE OF MOTION – FUEL POVERTY

Notice of Motion standing in the name County Brough Councillor Carol Andrews and support by the Councillors listed below: -

The Welsh Government has defined fuel poverty as households “having to spend more than 10 per cent of income (including housing benefit) on all household fuel used to maintain a satisfactory heating regime”.

During this current Cost of Living Crisis energy prices have surged this winter and suppliers have stepped up the use of court warrants to force their way into homes to install prepayment meters, with some magistrates approving hundreds of applications at a time. For homes with smart meters, the change can be made remotely without even needing a warrant.

Citizen’s Advice estimates 600,000 people were forced to make the switch away from credit meters after racking up debt with their energy supplier in 2022, compared with 380,000 in 2021 and it predicts that 160,000 more people could be moved onto a prepayment meter by the end of winter.

People using prepayment meters pay for their gas and electricity by topping up their meter, either through accounts or by adding credit to a card in a convenience store or post office.

Prepay meters charge for energy at a higher rate than contracts where the customer pays monthly or by direct debit, and people in debt are often left with no choice but to “self-disconnect”. For many, running out of credit is not a one-off event, leaving residents unable to cook or heat their homes. There is a fear that this will lead to “disconnection by the back door”. *Citizens Advice also found:*

- More than 2 million people are being disconnected from their energy supply once a month.
- 1 in 5 prepayment customers who have been disconnected from their energy supply in the past year said it had been for more than 24 hours at least once.
- 1 in 3 people on prepayment meters said that they had “self-disconnected” at least once in the past year because they could not afford to top up.

In response to public and media pressure Ofgem, the energy Regulator for Great Britain, has put in place a temporary ban on pre-payment meters, initially until the 31 March 2023. This has now been extended until energy companies sign up to the Ofgem Code of Practice which requires suppliers to have effective checks and balances in place when switching people to a smart meter. Under Ofgem rules companies must also offer payment plans people can afford and offer emergency credit for people who use a prepay meter and can't top up.

This notice of motion calls on the CCBC Leader Cllr Sean Morgan to write to the UK Government to pass legislation to prevent energy companies entering people’s homes and fitting prepayments, unless asked to do so by the householder concerned. In addition, people should be given the right to have pre-payment meters removed from their home.



Councillor Carol Andrews

Supported by: - Councillors S. Morgan, J. Pritchard, C. Morgan, E. Stenner, N. George, P. Leonard, E. Forehead, J. Simmonds, S. Cook.

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COUNCIL – 23RD MAY 2023

SUBJECT: HOUSING REVENUE ACCOUNT BUSINESS PLAN 2023/24

REPORT BY: CORPORATE DIRECTOR OF SOCIAL SERVICES AND HOUSING

1. PURPOSE OF REPORT

For Council to consider and take a view on the Housing Revenue Account (HRA) Business Plan 2023/24 and approve an extension to the borrowing cap, which forms part of the recommendations on this report. The HRA Business Plan is an annual requirement from Welsh Government (WG) as part of the annual submission of the Major Repairs Allowance (MRA) grant application. The report was considered by the Housing & Regeneration Scrutiny Committee on the 27th February 2023 and Cabinet on the 8th March 2023; comments from the Committees are included in Section 10 of the report.

2 SUMMARY

- 2.1 Following the publication by Welsh Government (WG) in its National Housing Strategy, 2001, which enforced all social landlords to meet the Welsh Housing Quality Standard (WHQS) on all its tenanted stock, WG introduced in 2002, a requirement for all Welsh authorities to develop and produce a Housing Business Plan which would be scrutinised by WG on an annual basis. The Housing White Paper published in May 2012 reaffirmed the WG commitment to the WHQS and set the revised target for all social landlords to meet it by 31st December 2020, which was extended to 31st December 2021 due to the impact of Covid-19. Caerphilly Homes achieved full compliance on all its housing stock by the deadline.
- 2.2 The Business Plan is a long-term 30-year plan for managing an organisation's assets and financing the necessary investments. It is a key element in ensuring the effective long-term management and maintenance of the Councils housing stock. It is essentially a financial forecast reliant on key assumptions which identifies the resources and funding required to meet the WHQS and maintain it thereafter. In addition, more recently WG have requested a business plan narrative to accompany the financial business plan, and this is also a requisite for the annual application of the MRA funding. Appendix C shows the Business Plan narrative for 2023-24 (provided in an electronic version) which will be available shortly on the Councils website.
- 2.3 Now that all the Local Housing Authorities have met the WHQS, there is a requirement for WG to develop an updated version of the standard so that LHA's can maintain its properties to the standard whilst incorporating new challenges. There has been an independent summative evaluation of WHQS in June 2021 and WG intend to launch WHQS 2 in 2023 following a period of consultation during the Summer 2022. The responses are currently undergoing detailed analysis. One of the biggest changes in the new standard will be around affordable warmth and decarbonisation, and WG are considering how they can support delivery alongside a new Optimised Retrofit Programme (ORP). In the 2023/24 Business Plan, however, WG acknowledge that LHA's will not have firm decarbonisation targets or measures to work with, and therefore do not expect comprehensive costed models for decarbonisation in this year's plan. Until the new WHQS 2023 is agreed, published and comes into effect, the

existing WHQS is extant and is the minimum that must be maintained. Therefore, borrowing that may be anticipated to meet the new standard is not included in this report.

- 2.4 Members may recall earlier reports regarding the HRA Business Plan as part of the ballot process together with commissioning stock condition surveys and determining borrowing levels. The borrowing level for WHQS was initially agreed by Council at £61m in 2011 and was subsequently revised as the WHQS programme progressed. In 2014, the borrowing was revised to £55m, and in 2019, the borrowing profile was amended to £75m to include funding for the first draft of our ambitious new build programme. Council agreed in July 2022 to increase the borrowing level further to £90m as the new build programme started to be implemented. Of this £90m, £40.9m has been taken up for the WHQS programme leaving £49.1m available initially towards increasing housing supply. Further development programmes are likely to require additional borrowing, together with the impact of the unprecedented inflation increases. The £90m cap did not allow for increases in costs across the housing service, which ultimately came later in the year after the 2022/23 Business Plan was submitted.
- 2.5 As we have now achieved the target of meeting WHQS to all our eligible stock, it is thought an opportune time to report the HRA Business Plan annually to members going forward as we progress onto developing our own social housing stock. This has become more important as we have experienced such volatility within the market in terms of material costs, supply and labour resources as a result of the Covid-19 pandemic and Brexit, together with unprecedented inflation rates, which could impact significantly on our new build commitments and the ambitious decarbonisation agenda that is ahead of us.
- 2.6 Members will recall the Housing Revenue Account Charges 2023/24 report that was presented to Housing & Regeneration Scrutiny Committee on the 29th November 2022 and Cabinet on the 14th December where 6.5% rent increase was agreed for 2023/24. This report analysed some costing scenarios against the 2022/23 Housing Business Plan that had materialised since the plan was submitted to WG in March 2022. This included the higher than anticipated pay award and the impact on the increases for construction and material costs. This evidenced, that with a lower than inflation rent increase, which was agreed at 6.5%, that a further £10m would need to be borrowed to maintain current services and keep momentum with the new build programme.

3. RECOMMENDATIONS

- 3.1 Council is asked:-
- 3.2 To note the comments of the Housing and Regeneration Scrutiny Committee and Cabinet.
- 3.3 To note that Cabinet considered and approved the 2023/24 Housing Business Plan and its submission to WG by the 31st March 2023.
- 3.4 To approve an extension of the HRA borrowing cap to £100m as a result of higher than anticipated inflation to maintain services and to progress with the new build programme.

4. REASONS FOR THE RECOMMENDATIONS

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

compounded more recently with the extraordinary increases in inflation. It is therefore prudent that members are formally updated on the financial position of the HRA investment programme as part of the annual grant submission to WG and to be kept up to date on the performance of the HRA in relation to other new priorities to be delivered from the HRA.

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

5. THE REPORT

- 5.1 The Major Repairs Allowance (MRA) is a capital grant for HRA assets to support Local Authorities to meet and maintain the WHQS. It cannot be used to repay debt, support borrowing, fund demolition costs, fund the day-to-day maintenance of properties, fund any properties acquired after April 2015, or for any properties held outside of the HRA.

- 5.2 LHA's must submit an application to WG each year for the MRA. The value of MRA for Caerphilly Homes is in the region of £7.3m. The deadline for the submission is 31st March 2023 and WG request the following documents to be included with the application:-

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

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

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

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

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

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

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

level of borrowing. Further assumptions are then made to project this position for 30 years.

5.8 Key assumptions in the plan are

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

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

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

5.11 The HRA Business Plan for 2023/24 has made the following assumptions. Note that this shows only 5 years which are more realistic than a 30-year period. However, the appendices attached will show the impact these assumptions make over a 30-year period.

5.12 Inflation rates

Every year, as part of the Business Planning Guidance, WG advise LHA's to use 2% as a typical inflation rate based on the Retail Price Index (RPI). This year however, this has not been included in the guidance and WG have advised they are no longer prescriptive on the assumptions in the Business Plans but now request that they are clearly explained and justified. This is probably as a result of the volatile increase in inflation experienced nationally. The Bank of England forecast that from mid-2023 inflation will fall sharply, perhaps below target, and expect inflation to level close to the 2% target by 2025/26. This is from their expectation that the price of energy will not continue to rise so quickly due to Government intervention schemes, also the price of imported goods won't rise so fast as some of the production difficulties start to ease, and less demand for goods and services in the UK forcing prices to rise much slower. The Bank of England has also steadily increased interest rates to attempt to bring inflation down.

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

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

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

5.13 In addition to the above, an additional increase needs to be considered in respect of building materials which will affect the cost of our Planned programme, Response Repairs, and New Build programme. The increased global demand for construction combined with the complex impacts of the pandemic and Brexit, resulted in unprecedented shortage delays and increased prices for materials and labour across the economy. Whilst the impact is hard to

predict because it affects different material types, the industry suggests that although the material supply issues has eased, prices remain high across a range of materials. Contractors are also struggling to absorb the additional cost as well as the impact from a lack of skilled workers forcing wage costs up. The Building Cost Information Service (BCIS) has predicted a 16% rise from Q2 2022 to Q2 2027 which is an average increase of 3.2% per year. Although this does not affect all materials it is felt prudent to increase 2023/24 to 5% to also allow for the impact of the energy price increases which is likely to affect the cost of materials further in the short term. A further 2% has therefore also been included in addition to the rates above for 2024/25 to 2027/28. Further testing for higher increases are factored into the sensitivity analysis on 5.29 below.

5.14 Interest rates/Financing Costs

The debt profile for the authority includes a forecast for interest rates which are calculated by accounting for all estimated interest on the loan types the authority holds in any one year and dividing that into the total debt to arrive at a consolidated average interest rate each year. These rates will change depending on the debt profile and are updated regularly throughout the year. The interest rate charged to the HRA includes the borrowing requirement within the current Business Plan and is currently forecasted to be as follows

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

5.15 Rent Increase

The WG rent policy is determined every 5 years. We are currently under the 2020/2021 to 2024/2025 five-year rent policy which was set at CPI plus 1% (plus a further £2 to align rents if applicable). The Welsh Ministers can determine the appropriate change to the rent levels in any given year if CPI falls outside of the range 0% and 3%. Due to the unprecedented CPI rate in September 2022 of 10.1%, the Minister took the decision to override the policy and restrict the rent increase for social landlords to 6.5%.

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

It is also worth noting that 2024/25 is the end of the current 5 year rent policy, so there could be a review from the Welsh Minister as to whether the policy is fit for purpose, meaning the current policy may not exist going forward.

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

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

Authority in Wales in terms of its weekly rent. As part of the sensitivity testing required by WG for the MRA submission, we will include scenarios for lower rents than above to test the viability of the HRA is maintained with additional borrowing. (See 5.31 & 5.32 below on sensitivity testing).

5.18 For future years (from 2027/28 onwards) within the plan, rent increases have assumed to be 3% but these will be reviewed as we progress through the next 5 years when inflation is confirmed, if a new rent policy is introduced, and also how the JRF affordability model impacts on our rent structure. WG have yet to release the new WHQS 2023 standard which could also impact on future rent setting.

5.19 Level of bad debts and voids

This figure is combined in the Business Plan. In previous years, the average void loss was pretty static at just under 2% and arrears at around 2.5%. In recent years this has increased, particularly at the start of the pandemic when tenants were unable to pay their rent and landlords were unable to relet empty properties. LHA's have also started a rent and arrears working group with WG to compare and share best practise going forward as a consequence of the arrears position due to the pandemic and the impact on tenants. In December 2020 voids had increased to 2.8% and arrears to 4.24%. In December 2021, voids were 2.52% and arrears were 4.29%. The latest position shows voids reducing to 2.16% and arrears increasing to 5.1%. Whilst the void position is starting to settle towards its typical average rate, it is clear that arrears are steadily increasing with the added impact of the Cost of Living. Caerphilly Homes is in the top quartile when compared to the other 10 LHA's. However, members will be aware of the intense tenancy support that has been offered to our tenants since the pandemic, with the focus on helping tenants to sustain their tenancies rather than evict them. This will inevitably result in an increase in arrears, with further increases expected due to the Cost-of-Living crisis. As part of the rent increase announcement for 2023/24 The Minister for Housing and Local Government instructed all social landlords to strengthen their approach to minimising all evictions, and not to evict into homelessness, a process we had already embedded within Caerphilly Homes, but with an obvious impact on arrears levels. The Business Plan model has changed slightly as to how the arrears are shown. Previously the arrears were included within the inputs as a percentage, but now the actual arrears within the balance sheet is deducted from the working balances. The only input required now is the actual provision for bad debt which is charged to the HRA each year. For 2023/24 this is 1.14% increasing in line with arrears to 2.5% in 2024/25 and a reduction to 2% from 2025/26 onwards. This assumption is clearly volatile and is therefore included in the sensitivity testing shown in 5.34.

5.20 Stock Count

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

5.21 The plan would normally make an assumption of any council house sales that would reduce the level of stock, until the Right To Buy (RTB) process ended in Wales in January 2019. Therefore, we do not anticipate any further RTB sales in the plan. However, we are now underway with our ambitious new build programme and have also acquired stock via a buy back process which assists us in meeting the increasing housing supply agenda from WG.

5.22 The increase in stock is detailed in 5.24 below and has been assumed based on the most recent Programme Delivery Plan (PDP) for affordable housing which drives the Social Housing Grant (SHG) programme, together with other schemes identified as part of the LDP process where areas have been identified for suitable development upon further investigation and viability checks. £10.3m of SHG funding has been accounted for in the plan for the period April 2023 to March 2025.

5.23 Pay Awards

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

2023/24 to 2025/26 have been applied.

5.24 New Build proposals and grants

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

5.25 The value of the HRA in 2023/24 with the rent increase of 6.5% is £55.5m. The cost of managing and maintaining the service is essentially funded from this, and these costs are entered into the plan which includes a £15.7m commitment towards the capital programme. The capital programme is £35.6m and this includes £16.5m to maintain the WHQS programme (PAMS programme), £10.9m for increasing housing supply and £8.2m for adaptations, large scale void work, and one-off committed projects. It is however worth noting that the current proposals can change quickly as more schemes are identified and some existing proposals may not come to fruition. Also, as experienced this financial year, issues with resources have impacted on the ability to progress with the PAMS programme. Variances to the Housing Revenue and Capital Account are regularly monitored and reported to the Housing & Regeneration Scrutiny Committee throughout the year.

5.26 The assumptions shown above are run through the plan over the 30 years and this typically results in a shortfall that would require some level of external borrowing. The base plan has a shortfall of £52.5m and this requires a borrowing commitment of some £55.7m (£31.5m in 2024/25 and £24.2m in 2025/26). The total borrowing commitment, when factoring in the amount already borrowed for the WHQS programme (£40.9m) is not within the current borrowing cap approved by Council. Total borrowing would currently stand at some £96.6m which would be £6.6m over the £90m agreed level. However, it is important to note that the initial level agreed was always expected to change as we progressed with the new build programme. The total number of proposed units have also increased compared to the previous plan, which will increase costs resulting in further borrowing. The Cost of Living and its impact on inflation also needs to be considered which has not only affected the new build programme, but also the ability to maintain current services. It is also worth noting that there may be other funding streams available, as schemes are investigated further, which would reduce costs, thus reducing the borrowing requirement. Officers recommend the borrowing level be increased to £100m at this stage to ensure adequate funding is available for the current new build proposals and the assumed cost increases within the 2023/24 Housing Business Plan. Borrowing is not required until year 2 of the plan (2024/25).

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

5.28 The Housing Business Plan for 2023/24 confirms that the HRA remains viable with the £55.7m borrowing, as it demonstrates a surplus in the operating account (see appendix A) and the capital account is fully financed (see appendix B)

5.29 **Sensitivity Analysis**

5.30 A number of sensitivities have also been tested against the base plan which include the following (*all must demonstrate HRA remains in surplus. WHQS still maintained and borrowing affordable)

5.31 ***S1 - A decrease in rent levels to CPI only (3%) in 2024/25***

DESCRIPTION: if CPI falls below 0% or higher than 3% then the policy would revert to CPI only (As in 2022/23). Although forecasts suggest CPI will be within this threshold, the market is very volatile so a variation in rent levels needs to be tested. Year 2 of the Housing Business Plan assumes 4% (CPI + 1%). The sensitivity reduces this to 3% (CPI only)

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

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

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

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

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

MITIGATION: Cannot reduce the New Build Programme as there are continuations of the previous year's schemes, although some newer schemes could be reviewed or reprofiled which could impact on the Councils delivery agenda. The PAMS programme could be reduced but this would mean the timescales for properties maintaining their lifecycles would not be met. Additional borrowing of £9.6m over years 2 & 3 and also years 8-15 would fund the shortfall. The knock of effect of the loss of rental income year on year will also be felt later in the plan. The increased borrowing would go over the current recommended borrowing level of £100m by £6.2m. A further report to Council would be needed to increase the limit with no further productivity. WHQS and the New Build programme would remain on track if all other assumptions remained. The HRA would remain viable but the cost of funding the shortfall would be significant due to its impact later on in the plan meaning less funding capacity for future challenges e.g. WHQS 2, Decarbonisation and further increasing housing supply.

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

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

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

MITIGATION: Cannot reduce the New Build Programme in Year 1 as there are continuations of the previous year's schemes although some newer schemes could be reviewed or reprofiled. The PAMS programme could be reduced but this would mean the timescales for properties maintaining their lifecycles would not be met. Additional borrowing of £2.6m over years 2 & 3 would fund the shortfall. The increased borrowing would remain just within the current recommended borrowing level of £100m. WHQS and the New Build programme would remain on track if all other assumptions remained. The HRA would remain viable but with less funding capacity for future challenges e.g. WHQS 2, Decarbonisation and further increasing housing supply.

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

DESCRIPTION: The base plan includes 5.4% of arrears within the balance sheet for both rent and service charges. The level of bad debt provision has increased due to the pandemic and an allowance has been made in the base plan for a further increase due to expected increases in energy and food prices. However, Caerphilly Homes were in a fortunate position over the last two years when the corporate method of calculating bad debt provision was reviewed, which resulted in a lower bad debt provision being required going forward. Irrespective of this, it is worth testing this scenario by adding the impact of an increase in arrears to 8% over a two-year period. This would mean a loss of income of approximately £1.5m for year 1 and also year 2, and result in a higher bad debt provision.

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

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

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

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

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

MITIGATION: Cannot reduce the New Build Programme in Year 1 as there are continuations of the previous year's schemes although some newer schemes could be reviewed or reprofiled. The PAMS programme could be reduced but this would mean the timescales for properties maintaining their lifecycles would not be met. Additional borrowing is needed in year 2, 3 & 9,10,11 due to the knock on effect of the rent reduction in future years. The increased borrowing would not be within the current recommended borrowing level of £100m. A further report to Council would be needed to increase the limit with no further productivity. WHQS and the New Build programme would remain on track if all other assumptions remained. The HRA would remain viable but with less funding capacity for future challenges

e.g. WHQS 2, Decarbonisation and further increasing housing supply.

- 5.36 All the sensitivities tested prove how changes in one area of the Business Plan can affect the whole outcome, and that the Business Plan is reliant on a number of key assumptions that could change quickly and impact on our service delivery. However, the base plan is set using current knowledge within the service and at this point evidence it is viable.

6. ASSUMPTIONS

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

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 An Integrated Impact Assessment was carried out as part of the HRA rent charges 2023/24 report which fundamentally drives the Housing Business Plan, therefore a further IIA is not necessary.

8. FINANCIAL IMPLICATIONS

- 8.1 This report deals with the financial implications.

9. PERSONNEL IMPLICATIONS

- 9.1 The proposals contained in this report will not alter the current arrangements of HRA personnel.

10. CONSULTATIONS

- 10.1 All consultation responses have been reflected in this report.
- 10.2 The report was presented to the Housing and Regeneration Scrutiny Committee on the 27th February 2023 and to Cabinet on the 8th March 2023.
- 10.3 The Scrutiny Committee sought clarification on what the Major Repair Grant can be used for, the report references what it cannot be used for such as day to day repairs, but members asked if the difference between major and day to day could be explained. Members asked if the major repairs grant would cover several buildings in the same complex for example, such as damp issues in an older persons complex.
- 10.4 Members were advised that major repairs grant is an annual allowance given to all stock owning local authorities which can be used for planned capital works. The allowance cannot be used for anything other than HRA assets and is now essentially to maintain the WHQS programme.
- 10.5 Members referenced damp issues and expressed disappointment that these have not been resolved though the WHQS despite the amount of money spent and asked what kind of follow up had been done to the work carried out under the WHQS.

- 10.6 The scrutiny committee were advised that there is a cyclical maintenance repairs programme which is called the planned asset management programme. This essentially means that assets are looked at in terms of life expectancy of roofs doors windows etc and develop a planned programme of works to address these. Areas are reviewed where there are significant issues and assured members that where they have been in communication with members on issues such as damp they will look at it accordingly. Reference was made to WHQS 2023 on the horizon which will dictate where the focus will be on decarbonisation and affordable warmth going forward with an announcement from Welsh Government expected imminently.
- 10.7 Members were assured that the WHQS works were subject to a number of checks and works were signed off throughout the programme. In addition, a percentage of works received a post completion inspection. All properties are part of the long term maintenance programme. Officers stated that there may be issues with properties now that weren't apparent when the WHQS programme was planned, and they may be picked up under future works.
- 10.8 The scrutiny committee highlighted the number of voids in the report and raised concerns that in some cases properties seem to be empty for long periods of time without any works ongoing. Members were assured that officers are keen to improve the standard of works carried out, so this is taking longer to complete. There are around 100 void properties out of nearly 10,700 so the number is reasonable but is under review with the aim to improve the turnaround. Members asked if they could be provided with data on the average length of void period. Officers stated it depends on the type of void but offered to provide a breakdown to Members.
- 10.9 At the time of drafting this report there were 131 void properties that were in various stages of repair. Following a quality review of the standard of each void it has been agreed that full decoration is now applied to all void properties and a review on providing flooring is also underway which will be followed by a revision to the relet standard which is currently is being redrafted.
- 10.10 The oldest void is from January 2023 and is due to be handed back for letting w/c 15.05.23. The newest property has been with HRO since the 4th May but voids are received regularly. The average length of time it takes to refurbish a void is currently 10 weeks. However, it must be referenced that certain properties are left in a state that require full refurbishment; rewiring, new gas infrastructure, kitchen, bathroom etc whereas others are only cosmetic. To ensure that all repairs do not take longer than necessary, our efficiency and productivity and our supporting processes are being reviewed.
- 10.11 Members sought information of the length of time to buyback properties and asked if the Authority need to carry out works to bring them up to WHQS standards before they can be used as part of housing stock. The scrutiny committee were advised that these properties have to go through the conveyancing process, then there are varying amounts of works required, so it is difficult to provide a timescale. However, resources are being redirected to make sure they are brought into supply as soon as possible. At the moment there are about a dozen properties to be brought into use. It was clarified that these are predominantly former council properties bought under the RTB, but the Authority can also purchase empty properties through the work of the empty property team and privately marketed properties and are considered suitable. However, the priority now is former council owned properties.
- 10.12 The scrutiny committee referenced the assumptions in the report on interest rate, rent increases/decreases, etc and asked how rent increases work in relation to CPI. The rent increase for this year was 6.5% (with inflation at 10.1%) and its forecast to increase at CPI plus 1% for the next 5 years but what happens if the forecasts are inaccurate.
- 10.13 Members were informed that the HRA Business Plan is produced on an annual basis and we are governed on the rent increase by Welsh Government and they are currently reviewing their five year strategy. The forecast is done on the basis of the information we have at the

moment and must present a sustainable business plan, any future changes will need to be addressed in future iterations of the business plan. The plan seeks to predict CPI plus 1% which is technically the maximum allowed for a rent increase, but there is an allowance for an extra £2.00 if trying to merge or converge our rents – which we aren't at the moment. The HRA Business plan is a 30 year model but it is updated every year with the latest known information that is available.

- 10.14 The report was moved and seconded and supported by the majority present at the Scrutiny Committee.
- 10.15 On the 8th March 2023 Cabinet noted that the report had been considered by the Housing and Regeneration Scrutiny Committee on the 27th February 2023.
- 10.16 Consideration was given to the report which presented Cabinet with the Housing Revenue Account (HRA) Business Plan 2023/24 and also sought Cabinet's recommendation to Council for an extension to HRA borrowing cap to £100m as a result of higher than anticipated levels of inflation.
- 10.17 Cabinet noted that the HRA Business Plan must be submitted annually to Welsh Government as part of the Major Repair Allowance (MRA) funding grant submission. The Business Plan is a long-term 30-year plan of the authority's assets and financing the necessary investments and is essentially a financial forecast and a key element in ensuring the effective long term management and maintenance of the Councils housing stock.
- 10.18 Clarification was sought as to the impact of inflation rates on the Housing Revenue Account and Officers confirmed that it had a massive impact on every aspect of the HRA not only in terms of material and labour costs there was also on rent revenue, landlord functions and housing stock. There was also the impact in terms of delivering the decarbonisation strategy, affordable warmth, and new build agenda. In terms of WHQS and the 2023 standards, Officer's confirmed that they were waiting for further information from Welsh Government.
- 10.19 Cabinet placed on record their thanks to Officers for all the work involved in producing the Business Plan and the work of both Nick Taylor-Williams and Lesley Allen were formally acknowledged.
- 10.20 Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved and by way of Microsoft Forms this was unanimously agreed.

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

1. The comments of the Housing and Regeneration Scrutiny Committee be noted.
2. The 2023/24 Housing Business Plan and its submission to WG by the 31st March 2023 be considered and approved.
3. RECOMMENDED to Council that the request for an extension of the HRA borrowing cap to £100m as a result of higher than anticipated inflation to maintain services and to progress with the new build programme be approved.

11. STATUTORY POWER

- 11.1 Local Government Act 1972.

Author: Lesley Allen, Principal Group Accountant, Housing

Consultees:

Housing and Regeneration Scrutiny Committee	- 27/02/23
Cabinet	- 08/03/23
Cllr Sean Morgan	- Leader of Council
Cllr Shayne Cook	- Cabinet Member for Housing
Christina HARRY	- Chief Executive
Dave Street	- Corporate Director for Social Services and Housing
Mark S Williams	- Corporate Director for Economy and Environment
Richard (Ed) Edmunds	- Corporate Director for Education and Corporate Services
Nick Taylor-Williams	- Head of Housing
Robert Tranter	- Head of Legal Services and Monitoring Officer
Stephen R Harris	- Head of Corporate Finance and S151 Officer
Fiona Wilkins	- Housing Services Manager
Jane Roberts-Waite	- Strategy and Co-ordination Manager
Catherine Edwards	- Head of Asset Maintenance and Repairs
Jason Fellows	- HRO Manager
Kerry Denman	- Housing Solutions Manager
Rhian Williams	- Capital and Treasury Accountant

Appendices

- Appendix A – HRA Business Plan (Capital)
- Appendix B – HRA Business Plan (Revenue)
- Appendix C - HRA Business Plan 2023-24 (narrative)

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Caerphilly County Borough Council
Business Plan Assumptions
Major Repairs and Improvements Financing

APPENDIX A

(expressed in money terms)

Year	Year	Expenditure					Financing					Check Total £,000	
		Catch up Repairs £,000	Planned Maint £,000	Improve ments £,000	Other £,000	Total Expenditure £,000	Borrowing £,000	RTB Receipts £,000	Other £,000	Repairs Account £,000	RCCO £,000		Total Financing £,000
1	2023.24	0	24,727	0	10,926	35,653	0	0	12,612	0	23,040	35,653	0
2	2024.25	0	24,764	0	59,369	84,133	31,500	0	20,837	0	31,796	84,133	0
3	2025.26	0	15,732	0	49,225	64,957	24,200	0	24,862	0	15,895	64,957	0
4	2026.27	0	19,182	0	5,906	25,087	0	0	22,362	0	2,726	25,087	0
5	2027.28	0	25,792	0	0	25,792	0	0	7,362	0	18,430	25,792	0
6	2028.29	0	30,937	0	0	30,937	0	0	7,362	0	23,575	30,937	0
7	2029.30	0	31,556	0	0	31,556	0	0	7,362	0	24,194	31,556	0
8	2030.31	0	32,187	0	0	32,187	0	0	7,362	0	24,825	32,187	0
9	2031.32	0	32,831	0	0	32,831	0	0	7,362	0	25,469	32,831	0
10	2032.33	0	33,487	0	0	33,487	0	0	7,362	0	26,125	33,487	0
11	2033.34	0	34,157	0	0	34,157	0	0	7,362	0	26,795	34,157	0
12	2034.35	0	34,840	0	0	34,840	0	0	7,362	0	27,478	34,840	0
13	2035.36	0	35,537	0	0	35,537	0	0	7,362	0	28,175	35,537	0
14	2036.37	0	36,248	0	0	36,248	0	0	7,362	0	28,886	36,248	0
15	2037.38	0	36,973	0	0	36,973	0	0	7,362	0	29,611	36,973	0
16	2038.39	0	37,712	0	0	37,712	0	0	7,362	0	30,350	37,712	0
17	2039.40	0	38,466	0	0	38,466	0	0	7,362	0	31,104	38,466	0
18	2040.41	0	39,236	0	0	39,236	0	0	7,362	0	31,874	39,236	0
19	2041.42	0	40,020	0	0	40,020	0	0	7,362	0	32,658	40,020	0
20	2042.43	0	40,821	0	0	40,821	0	0	7,362	0	33,459	40,821	0
21	2043.44	0	41,637	0	0	41,637	0	0	7,362	0	34,275	41,637	0
22	2044.45	0	42,470	0	0	42,470	0	0	7,362	0	35,108	42,470	0
23	2045.46	0	43,319	0	0	43,319	0	0	7,362	0	35,957	43,319	0
24	2046.47	0	44,186	0	0	44,186	0	0	7,362	0	36,824	44,186	0
25	2047.48	0	45,069	0	0	45,069	0	0	7,362	0	37,708	45,069	0

26	2048.49	0	45,971	0	0	45,971	0	0	7,362	0	38,609	45,971	0
27	2049.50	0	46,890	0	0	46,890	0	0	7,362	0	39,528	46,890	0
28	2050.51	0	47,828	0	0	47,828	0	0	7,362	0	40,466	47,828	0
29	#N/A	0	48,785	0	0	48,785	0	0	7,362	0	41,423	48,785	0
30	#N/A	0	49,760	0	0	49,760	0	0	7,362	0	42,398	49,760	0

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

APPENDIX B

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

DO NOT DELETE

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

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Caerphilly County Borough Council

Housing Revenue Account Business Plan 2023-24



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Foreword

As the Cabinet Member for Housing I am pleased to present to you the 2021/22 HRA Business Plan. The purpose of this plan is to set out the income and expenditure plans for delivering the range of landlord services provided by Caerphilly Homes.



In December 2021, we successfully completed a long-term programme to ensure that our customers homes reached Welsh Housing Quality Standard. This involved the fitting of 7711 kitchens, 8217 bathrooms, and 2565 energy efficient boilers - a total investment of over £266m. As a result I am pleased to say that our customers are now directly benefitting from having homes with modern facilities, that are in a good state of repair and with improved energy efficiency.

The Covid-19 pandemic has had a significant impact on the lives of many people and its legacy will be felt for a long time to come. At the start of the pandemic we needed to quickly change the way we delivered our services to protect lives and I am proud to say we did that without adversely affecting the quality of service. Moving forward, we will need to ensure that our service delivery continues to meet the changing needs and aspirations of our customers.

The UK currently finds itself in the midst of a cost of living crisis. People are having to pay more to adequately heat their homes and paying more for essential goods and services. We know that many of our customers on low incomes will be hit particularly hard and may find it increasingly difficult to run their homes and feed their families. We will continue to provide advice and support where we can.

In June 2022, Welsh Government announced its plans to introduce an improved standard for all social housing in Wales, called Welsh Housing Quality Standard 2023. Following its introduction later this year the Council will be required to assess the quality of our customers' homes against the new standard and makes plans to ensure that these homes meet the standard by 2033. Attainment of this standard will be challenging and require a significant financial investment by the Council from next year up until 2033.

With over 6,300 applications on the Common Housing Register the number of people requiring social housing remains high. There is a significant requirement for 1 bed accommodation, which only accounts for a small percentage of our existing stock. We are trying to reduce the waiting time for people by building new Council homes. However, funding is limited and as a result some people may have to wait longer than expected or find an alternative solution.

This year we undertook a customer survey and have provided the results to Welsh Government. Our customers are now able to compare results of all social landlords in Wales. Responses from our customers show that although we are providing good quality services, there is room for improvement and we will shortly be introducing an action plan that responds directly to the survey results.

The Council is a proud provider of social housing and two years ago gave approval for the establishment of a team to start building new Council homes, following changes introduced by Welsh Government. The Council has an ambition to build up to 400 new affordable homes over a 5 year period. Earlier this year we took ownership of a small number of new homes in Aberbargoed and in the summer this year we completed our first two developments in Trecenydd and Trethomas, thereby ensuring that people have access to good quality and affordable housing. We have approved to build our first mixed tenure development in Oakdale and a ground breaking later living scheme in Ty Darran, Risca.

Councillor Shayne Cook
Cabinet Member for Housing

Caerphilly Homes Vision

Caerphilly Council are embarking on an ambitious and exciting transformation agenda and so are Caerphilly Homes. Housing is high on the council's corporate and political agenda and having that backing represents a great opportunity to evolve the service for the better of our existing and future customers.



Caerphilly Homes is the comprehensive housing service covering all elements of the council's housing provision across the county borough.

Caerphilly Homes is passionate about providing a customer focused service at every level. The experienced team thrives on providing a person centric management ethos, managing relationships with residents and managing our assets. The customer is and should be at the heart of everything we do.

As we evolve we focus on ensuring the highest possible standards and quality of service to all our customers is maintained. The team understands the communities and their needs and strives to continually improve.

The Caerphilly Homes vision will guide everything that we do;

'To deliver an outstanding high-quality service for all customers of Caerphilly Homes'

The mission of the team is that;

'Caerphilly Homes supports all customers fairly and transparently. Maintaining all homes with a responsive and professional high-quality service. Building new relationships with existing and new customers, whilst developing new homes and communities with low-carbon, low-cost homes, for now and the future. Solutions are sourced for those that are homeless or at risk of homelessness, working with other landlords public and private across the county borough to deliver more opportunity for all, whatever the need'

To achieve the vision and embody the mission, the team will focus on the customer, their journey and experience. With that at the heart of delivering our numerous services within the housing revenue account the service is on a firm and robust footing for the future.

Nick Taylor-Williams
Head of Housing

1

The Housing Service





1.1 Overview of the Housing Service

The housing service is called Caerphilly Homes and consists of the following teams - public sector housing, private sector housing, strategy and development, housing solutions and housing repair operations. We employ 597 members of staff (FTE) and have an overall budget this year of circa £110m (revenue and capital). Main streams of funding include the Housing Revenue Account (HRA), the General Fund, Major Repairs Allowance, Social Housing Grant and other grants received from Welsh Government.

Our ambition to provide high-quality housing and housing related services to people living in the county borough. The scope of this provision is wide ranging, incorporating housing functions in both the public and private sectors. Many of these services are interrelated and spread across the different teams that make-up Caerphilly Homes.

They include providing management and support services to customers carrying out repairs and improvements to their homes, providing adaptations to homes in public and private sectors, preventing homelessness and tackling rough sleeping and increasing the availability of good quality, affordable housing.

As part of our service delivery, we also provide wider community benefits including estate management, environmental improvements, supporting the local economy via procurement and associated community benefit clauses, aimed at reducing poverty, promoting housing led regeneration as well as creating training and employment opportunities.

1.2 Our Achievements Last Year & Priorities for the Next 3 Years

Last year we were able to successfully achieve the following:

- Welsh Housing Quality Standard attainment, thereby ensuring customers' homes are in a good state of repair; safe and secure; adequately heated, fuel efficient and well insulated.
- Maintain and enhance the levels of support we provide to help our customers manage their accommodation and their money.
- Exceeded the target for the value of financial savings generated for our customers - total savings of £3,207,624.88.
- The Council and housing associations partners drew down £14.92m of Welsh Government grant funding to build new affordable homes, an increase on the initial allocation of £2.3m.
- Awarded outline planning permission for two Caerphilly Homes led developments. The former Oakdale secondary school delivering circa 85 new homes and the Ty Darren older persons later living scheme in Risca delivering circa 46 new homes.
- Received endorsement for the continuation of Caerphilly Keys, which continues to play a crucial role in the Council's plan to prevent homelessness by providing access to good quality, affordable accommodation in the private rented sector.
- Completed just over one thousand minor adaptations and almost 150 major adaptations, alongside a further 105 Disabled Facilities Grants and 9 stair lifts assisting residents to remain independent in their own homes.
- Empty Homes action plan approved by Welsh Government; Empty Homes advice packs rolled out enabling empty homes to be brought back into use.
- Facilitated the running of community surgeries in 8 different locations across the borough, providing a range of support services to our customers.

Council Housing Priorities for the Next 3 Years

Over the next 3 years, we will focus on:

- Implementation of a new IT system which will enable us to improve the type and level of data we collect, thereby improving the services we provide.
- Implementation of the Renting Homes (Wales) Act 2016, ensuring compliance with new housing legislation.
- Implementation of a new Planned Asset Management Strategy, with a focus on WHQS 2023 and the decarbonisation of the housing stock by 2033.
- Introduce a new Local Housing Strategy and Delivery Plan, which will provide the context for the provision of housing and housing related services throughout the county borough.
- Complete a Tenant Satisfaction Survey Action Plan.
- Complete a new Local Housing Market Assessment, to provide an updated picture of housing need throughout the borough.
- Submit the 2022/27 Gypsy Traveller Accommodations Assessment to Welsh Government for approval.
- Adopt a Rapid Re-Housing Strategy and ensure that our Common Allocations Policy is reflective of any new priorities.
- Achieve full planning permission and start on site with Oakdale Secondary school and Ty Darren.
- Continue to work with housing association partners to develop and deliver new affordable homes ensuring that we spend the record levels of social housing grant.
- Continue working in partnership with the Supporting People team to develop the Housing First initiative for people with complex needs.
- Support our customers to manage their money, maximising income and reduce fuel poverty by making homes more energy efficient and exploring funding provisions.

1.3 Renting Homes (Wales) Act 2016

The Renting Homes (Wales) Act 2016 is the biggest change to housing law in Wales for decades and is intended to improve the way in which all rented homes in Wales are managed and lived in, by standardising written contracts, increasing landlords' obligations, and enhancing tenants' rights.

Significant changes are required to the way in which we manage and maintain our customers' homes and we have set-up a Project Board to oversee project delivery. We have set up working groups to undertake a comprehensive review of our policies, procedures, and services to ensure that the new statutory obligations are met. We are collaborating with other local authorities around the consistency of communications to our customers and to share good practice.

We will need to make changes to the way we deliver of services, which means we will incur additional costs. Some of the costs will be one-off, such as printing and delivery, and other costs will be year-on-year, such as increased staff numbers. We are currently in the process of identifying and assessing the likely costs that we will need to incur.

1.4 Ukraine Support Project

The Council fully supports the efforts of the UK and Welsh governments to provide the necessary support to Ukrainian people fleeing the war in their homeland. Using experience gained through similar UK resettlement schemes (Syrian and Afghanistan) the Council has set up a multi-disciplinary team, led by the Head of Housing, to oversee all aspects of the Council's response.

The number of people requiring housing was initially low but we have seen an increase in recent months. We have been successful in matching a large number of Ukrainian families under the national Homes for Ukraine scheme with sponsors living in the county borough. As the number of families requiring housing increases, we expect to start using some of our own homes to help meet need, although, under current arrangements, we do not expect this to impact on our lettings to people currently on the Common Housing Register.

Welsh Government has made funding available to local authorities and housing associations via the Transitional Accommodation Capital Programme. Funding is aimed at the refurbishment of existing void or soon to be void properties that were not planned to be re-let and to fund larger projects such as significant conversions or, remodelling, demolish and rebuild, and Modern Methods of Construction solutions. The Council has been awarded funding of phase 1 of the programme and has made an application under phase 2.



2










Profile of Existing Homes



2.1 Housing Stock Profile

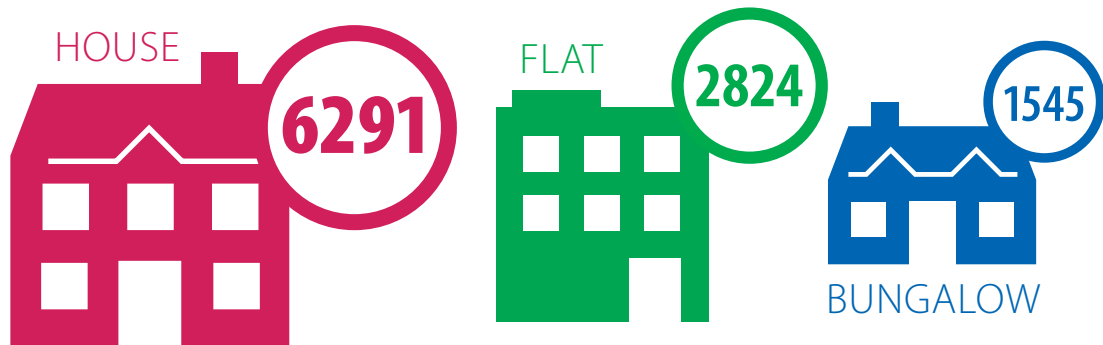
We currently provide over 10,660 homes to our customers in 72 different locations throughout the county borough. 70% of the stock is designated as general needs accommodation with the remainder designated as later living. The table below provides a summary of the housing stock by property type and bedroom count.

Summary of Housing Stock by Property Type and Bedroom Count

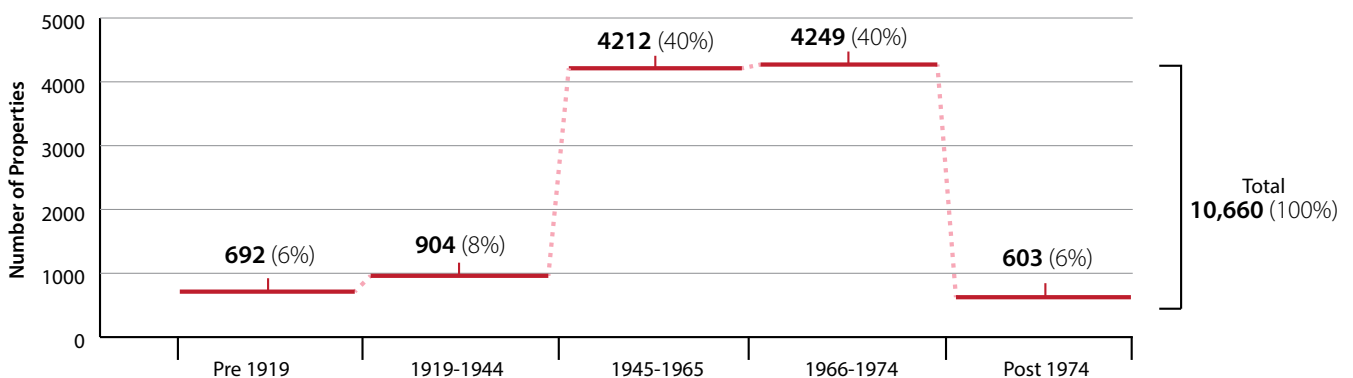
	 Bed					Total
 Bungalow	568	900	75	2	0	1,545
 Flat	1,306	1,444	66	0	0	2,816
 House	24	1,309	4,794	163	1	6,291
 Maisonette	0	3	5	0	0	8
Total	1,898	3,656	4,940	165	1	10,660

We also provide services to 405 leaseholders and let 875 garages. The infographic below shows a breakdown of our customers' homes by property type (March 2022). It shows that the majority of homes are houses.

Housing Stock by Property Type

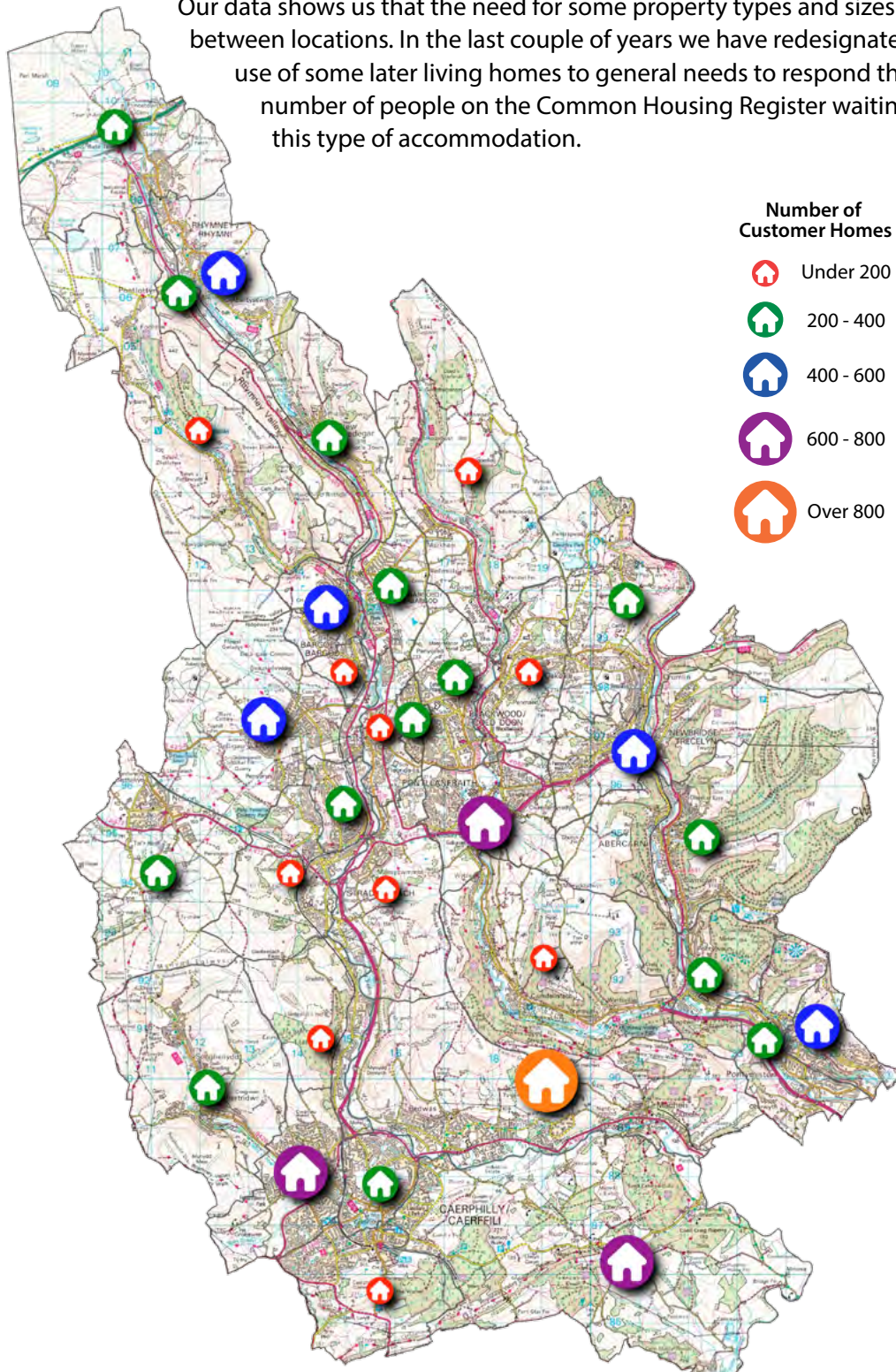


The table below provides a breakdown of our customers' homes by age. It shows that the majority of homes were built within a 30 year period from 1945 onwards. Approximately, 6% of the stock is more than 100 years old, which has implications for ongoing repair and maintenance.



The Right to Buy policy resulted in a significant number of our customers purchasing their homes, resulting in a decline in the number of homes we have to rent. The abolition of the Right to Buy in Wales (2019) prevents customers who rent their homes from purchasing them. In the last couple of years we seen stock numbers increase slightly due to homes being purchased from private sector developers as part of planning obligations and purchases funded by grants from Welsh Government. We expect numbers to increase in the next 4 years as a result of our new build programme and further private sector acquisitions.







Our data shows us that the need for some property types and sizes varies between locations. In the last couple of years we have redesignated the use of some later living homes to general needs to respond the high number of people on the Common Housing Register waiting for this type of accommodation.



2.2 Later Living Accommodation

We provide 3,148 homes designated later living, usually for people aged 60 years and over:

Later Living Accommodation by Property Type and Bedroom Count

	 Bed			Total
 Bungalow	568	853	4	1,425
 Flat	951	750	5	1,706
 House	0	4	13	17
Total	1,519	1,607	22	3,148

931 of our later living homes are designated as sheltered housing. We have 33 sheltered housing schemes with 15 provided under one roof. The accommodation varies in size, type and location.

All sheltered housing schemes have communal facilities and communal areas. Our customers are service charged for any additional services they may receive, which varies depending on which sheltered housing scheme they live in. Housing related floating support for people living in sheltered accommodation is from a Sheltered Housing Officer.

All sheltered homes are linked to the Caerphilly Careline Community Alarm Service, which can be used by our customers at any time of day for help or advice. This service is available 24 hours a day, 365 days a year.














2.3 Accessible Housing

We want our customers to live in good quality homes which meet their needs. We assess the level of accessibility of all homes prior to them being relet to ensure that our customers are able to live safely and independently in their homes. All homes are categorised on their existing level of accessibility or on their potential to be adapted - A1 being the highest level of accessibility to D below the lowest level. Customers requiring an accessible home will be given priority through the Common Allocation Policy best match approach.

2.4 Lettings Data

When a property becomes empty, we will usually let it to people waiting on the Common Housing Register. In the last 3 calendar years we have made 2,713 lettings, on average 904 lettings per year. The number of lettings dipped slightly in 2020, because of the public health restrictions imposed during the Covid-19 pandemic, but in 2021 the number of lettings rose above the 3 year average. The number and type of lettings varies by area due to the stock profile in those areas. The table below shows the number of total lettings over the last 3 years by property type and bed count.

Total Letting by Property Type and Bed Count

					Total
 Bedsitter	3	0	0	0	3
 Bungalow	92	162	7	0	261
 Flat					
Ground floor	257	183	12	0	452
First floor	239	197	8	0	444
Second floor or higher	11	35	4	0	50
 House	9	498	689	39	1,235
 Maisonette	0	3	1	0	4
Sheltered Accommodation					
 Bedsit	4	0	0	0	4
 Flat					
Ground floor	66	5	0	0	71
First floor	48	6	2	0	56
Second floor or higher	6	1	0	0	7
 Bungalow	66	58	0	0	124
 House	0	1	1	0	2
Total	801	1,149	723	39	2,713

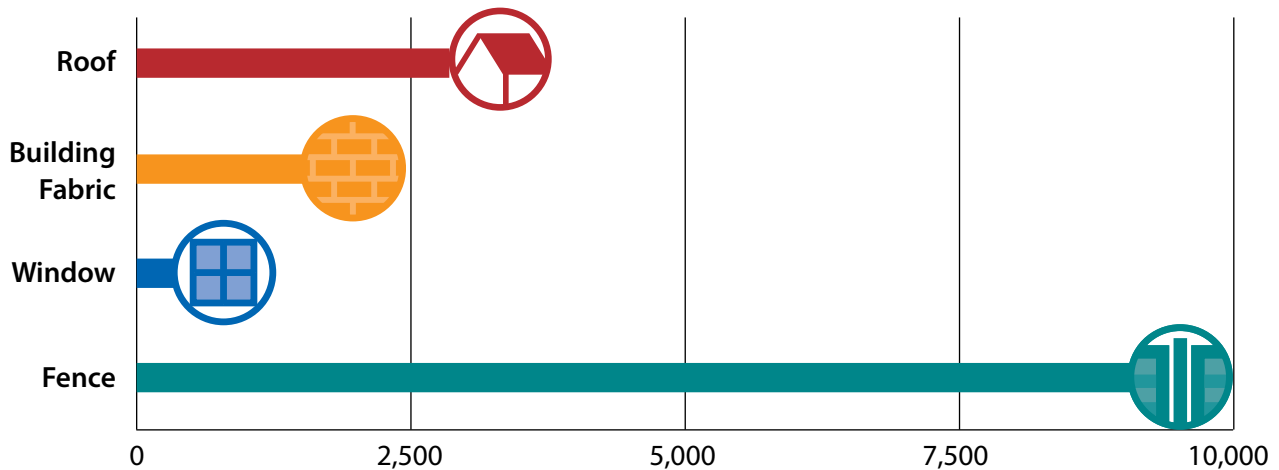
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WHQS Attainment

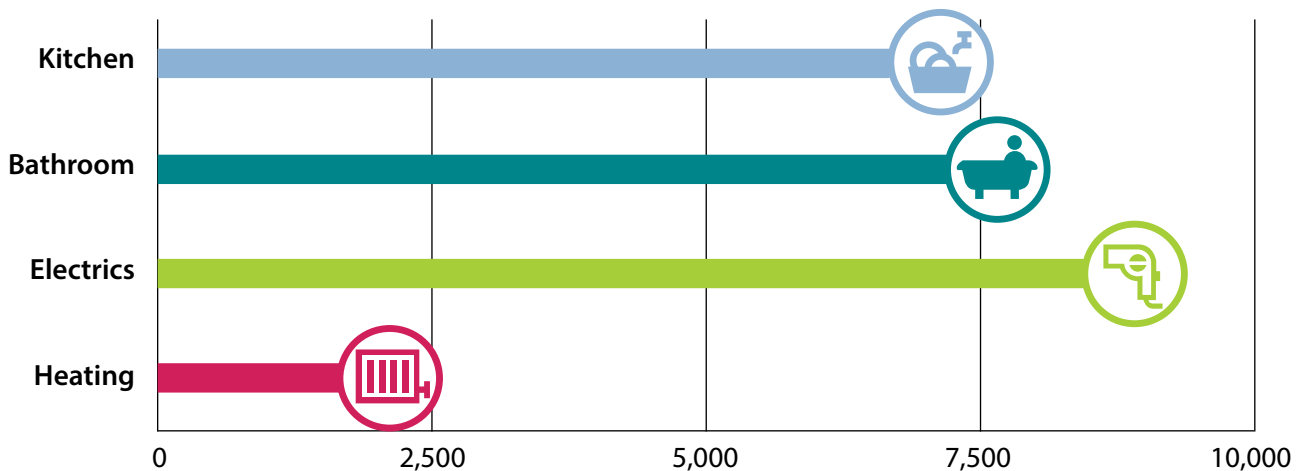


3.1 WHQS in Numbers

Having started in 2012, we successfully completed the WHQS programme by Welsh Government's target date of 31st December 2021. In bringing our customers' homes to the standard we spent a total of £266.39m. The graph below shows that during the lifetime of the WHQS programme we carried out 43,329 external improvements to our customers' homes, totalling £141.97m.



The graph below shows that during the lifetime of the WHQS programme we carried out 27,607 internal improvements to our customers' homes, totalling £124.42m.



1,396 of our customers' homes do not meet the standard because our customers declined to have all or part of their homes improved. This is something Welsh Government calls an acceptable fail - customers' choice. We intend pick up these improvements as part of our post asset management strategy or when the property becomes empty.

Our customers' homes will now be maintained at or improved to this standard under our new Post Asset Management Strategy, as outlined in section 4.1.



3.2 The Environmental Programme

82 communities throughout the county borough have been engaged and involved in an extensive programme to determine how best to meet the needs of customers and the aspirations of residents in accordance with Part 6 of the Welsh Housing Quality Standard. This exercise concluded in Summer 2020 and has resulted in the identification of over 300 projects to ensure that homes are in attractive and safe environments. Over £13m has been committed to projects identified by communities including improved footway and highway improvements to facilitate greater accessibility, external improvements to the environment in and around our sheltered housing schemes, increased car parking, planting, community amenities and facilities including play provision and skateparks.

We have also extended our environmental projects to include projects outside of the Part 6 remit as a result of our extensive engagement. Environmental works will therefore form part of our ongoing commitment of improvements throughout the county borough year on year and include the provision and improvement of amenities for young people; schemes to address anti-social behaviour and wider community led environmental schemes in targeted areas.

In the future, elements of the environmental programme will continue to be delivered via Caerphilly Homes' Area Housing Offices ensuring consistency and momentum of improvements throughout the county borough, year on year.



4

Maintaining Existing Homes

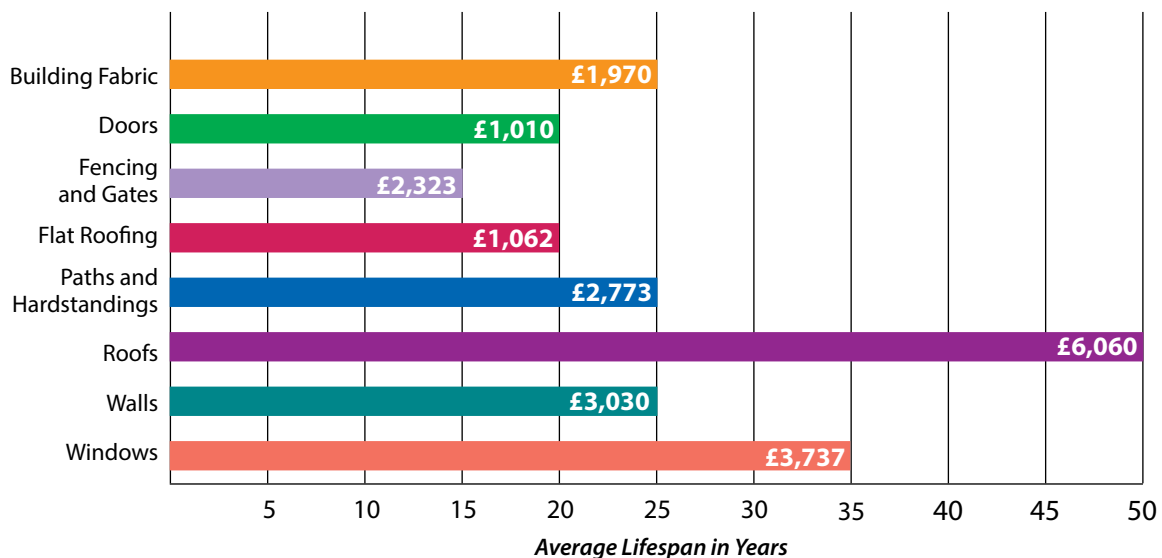


4.1 Planned Asset Management Strategy

Now our customers' homes have been improved to the WHQS we want to ensure standards are maintained and investment is planned to ensure this. The level of actual investment required will vary year-on-year and, consequently, detailed programmes of work will require adjustment on a yearly basis. The HRA business plan (see section 11) includes a provision for kitchens and bathrooms that were deemed as acceptable fails (e.g. customer refusal) to be improved as properties become vacant or our customers change their minds.

The business plan incorporates life cycles of property elements and budgetary commitments over a 30-year period. Due to the high amount of work completed on our customers' home in the run up becoming WHQS compliant a large number of elements become due for renewal in a short space of time. To ease budget constraints and improve efficiency of renewal replacement the business plan needs to go through a smoothing exercise.

The graph below shows the average lifespan and average costs of external components replacement.



Our database provides details of the improvements carried out to all of our customers' homes. It allows us to make accurate forecasts and to plan and cost our improvement programmes. It also allows us to achieve value for money by using our resources efficiently and effectively.

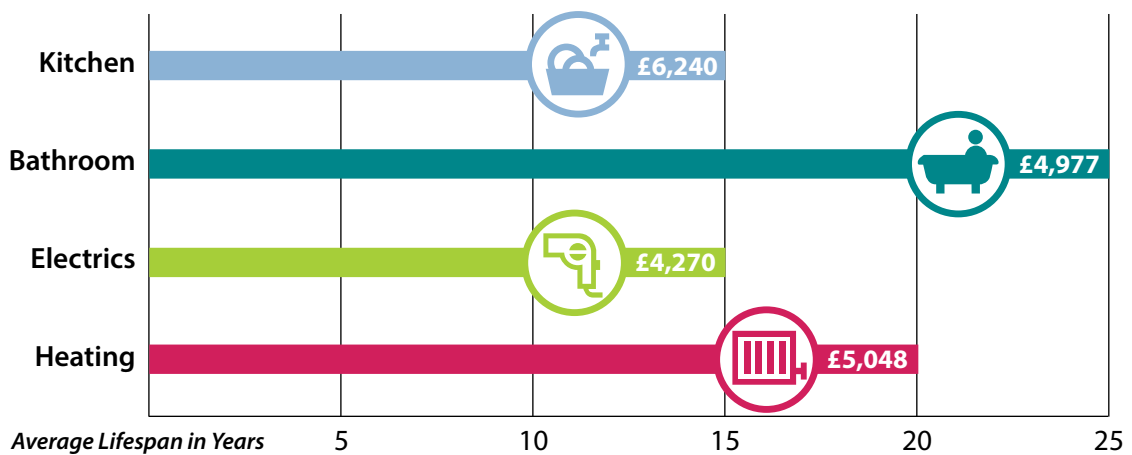
Sustainability is at the heart of everything we do. We work in partnership with suppliers and contractors to purchase the best quality materials at the best price. We ensure that environmental criteria are used when awarding contracts. When assessing value we consider the whole life cycle of a material, including installation, maintenance, and final disposal. Wherever possible we will purchase green energy and consider the suppliers environmental credentials, which means that the cheapest product does not necessarily deliver the best value for money.

We have used our database to produce a Post Asset Management Strategy (PAMS) programme to ensure that all our customers' homes are maintained to the WHQS following attainment in 2021. The PAMS was developed following a full consultation exercise with our stakeholders.

The programme for external works commenced in 2022, meaning all works will now be undertaken in accordance with the expected lifecycle of each component. A full external maintenance works programme based on a 5-year maintenance cycle has also been finalised. Year 1 has been surveyed and has been packaged into maintenance contracts, which are now being progressed by our own staff. In order to assist in the delivery of the programme we have set up a new unplasticised polyvinyl chloride (UPVC) window fabrication workshop and are manufacturing and fitting new windows within our customers' homes. This facility will provide assistance with the decarbonisation of our customers' homes and will also provide low maintenance, safety and security.

Similarly a program of internal replacement of key components based on condition will be implemented in 2024, taking into account the lifetime home standard to allow our customers to live in their own homes safely and independently.

The graph below shows the average lifespan and average cost of internal components replacement.



Our staff also assist with the maintenance of our customers' homes. Repairs are carried out in priority order. We normally undertake about 28,000 repairs annually.

4.2 Local Employment and Apprenticeships

We recognize the importance the investment we make in housing acting as an economic catalyst, delivering wider benefits including employment, training and apprenticeship opportunities. Providing employment, training and apprenticeship opportunities also helps us mitigate against the shortage of trades people in the construction industry.

We currently employ 11 apprentices and are in the process of recruiting another 10. We also provide a clear pathway for apprentices to be retained and moved into fulltime employment following the successful completion of their training. Approximately 20% of the current operational staff are former apprentices, which is testament to our workforce development practices.

We also work in partnership with local colleges to provide work placement opportunities for local people to gain on-site experience, assisting with their qualification requirement.



4.3 Developing Local Supply Chains

We recognise the importance of social value delivered through our investment in our customers homes in helping to develop local supply chains. Our aim is to work with small and medium enterprises to deliver maximum benefits to our communities, ensuring that every £1 spent in the borough is invested back into the local economy.

Robert Price is our single source materials supply partner. As part of the contract, they will supply our staff with all components and ancillary items. Operational and strategic aspects of the supply partner contract are overseen by a relationship manager.

4.4 Later Living Accommodation

We provide 931 homes to our customers requiring sheltered accommodation, and over 33 schemes. 28 of these schemes have received WHQS improvements works. A further 5 schemes were assessed as not being fit for purpose. Following an appraisal a decision was made to remodel these schemes. This work will cost £7m and is due for completion in 2023/24. The remodelling and future maintenance and improvements works to the 33 sheltered schemes will continue to be managed in house.



4.5 Fire Safety, Post-Grenfell

The safety of our customers in their homes is our utmost priority. We carry out Fire Risk Assessments, in accordance with the Fire Safety Order 2005, to better understand the potential risks to our customers' homes and identify the action required to improve fire safety precautions. Reports are developed where the assessment shows a potential fire safety hazard.

The reports include a full action plan detailing the improvement required and providing the recommended period of time within which the works should be completed. Tasks typically include works to fire doors, glazing, compartmentation, housekeeping within the communal area and relocation of bins to control risk of arson. We continue to implement weekly monitoring of housekeeping and escape routes within communal areas.

Works to comply with the FRA reports for our flats and sheltered housing schemes are currently ongoing. Planned works are also being undertaken in refurbished sheltered housing schemes to install sprinkler systems. The maintenance of these systems, including other active fire protection systems such as fire alarm systems and emergency lighting are routinely inspected.

We continue to work with South Wales Fire & Rescue Service to adhere to any recommendations following their audits of our sheltered housing schemes.

4.6 Leasehold Properties

We currently have 405 leaseholders who previously purchased their home from the Council on a leasehold basis. Leaseholders are responsible for maintaining the internal fabric of their homes and we are responsible for repairing and maintaining the structure, exterior and any shared parts of the building.

Extensive works were undertaken to the externals of all leaseholder properties during the WHQS programme. On average we spend £550k per year repairing and maintaining leaseholder properties.

5





Building New Homes



5.1 Summary of Housing Need

As of 1st March 2023 there were 6,456 total applications on the Common Housing Register. Of these total applications, 5,790 are currently active and being considered for housing. The table below provides a breakdown of these applications by priority band and bedroom need (assessed). It shows that 9% of applications have the highest level of priority (Band 1) and that 62% require 1 bedroom accommodation.

Active Applications by Priority Band and Bedroom Need

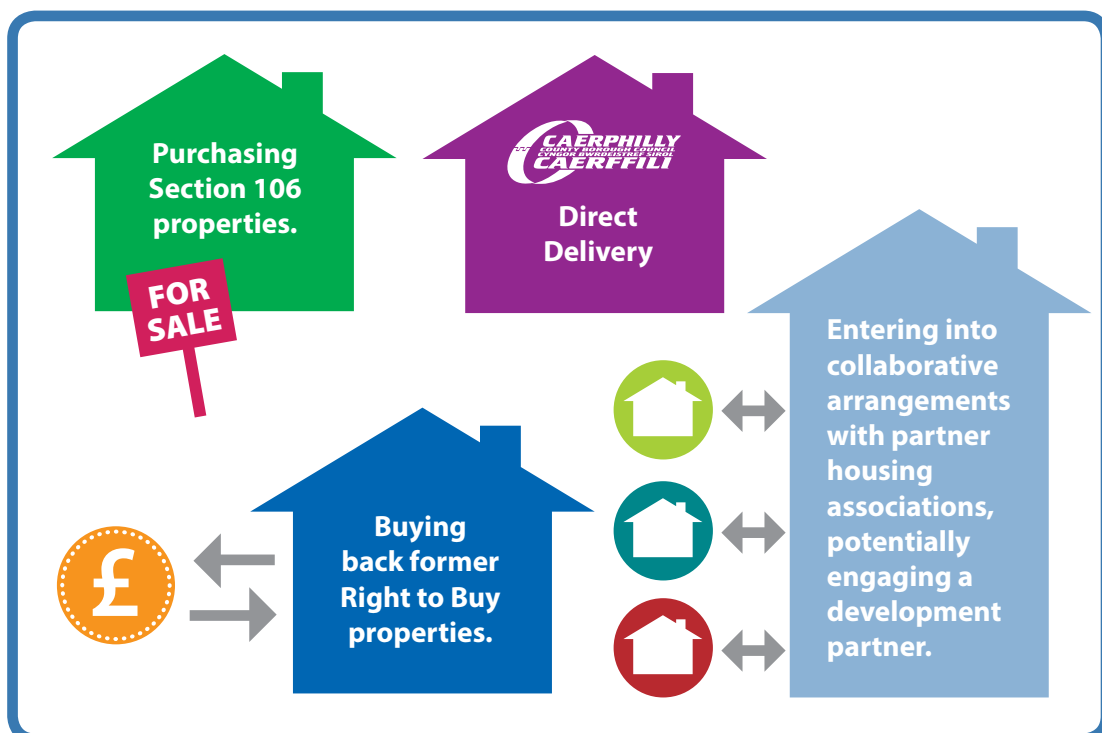
					Total
Band 1	341	111	30	20	502
Band 2	1,419	404	126	56	2,005
Band 3	1,834	997	364	88	3,283
Total	3,594	1,512	520	123	5,790

We know from looking at our data that there is a clear mismatch between the type of accommodation people on the common housing register require and the type of the accommodation we currently provide.

We are trying to address this mismatch by building new homes but the level and nature of need means that it will need to be addressed over the long-term and in partnership with local housing associations.

5.2 Our Ambition

In January 2020 the Cabinet approved the *Building Together* report which set out the Council's ambition to build 400 new affordable homes by 2025 through:





Time has moved on and there are a number of new strands to Council's development programme that over the next 12 months require further development, including the use of package deals and a dedicated small site workstream.

We are working on a development strategy. Currie & Brown are helping us to identify opportunities for development and undertake the work necessary to better manage development risks and understand viability. Many of the more viable sites in the county borough have already been developed and those that remain have significant abnormalities that require mitigation.

As part of the development of a new Local Development Plan (LDP) by the Council, we have submitted 27 potential sites for inclusion in the candidate site selection process. The new LDP is unlikely to be finalised until 2025/2026. In the interim, a number of sites have been identified and a development strategy is currently being formulated, that will help with meeting our 400 homes target.

We are actively seeking to address the need identified in the Local Housing Market Assessment and the Prospectus.

The availability of land suitable for development is a significant challenge and it is likely that in the future, the option to purchase land in private ownership will have to be explored. Further partnership working with Welsh Government on land that lies within the county borough and remains in their ownership will also be explored.

To increase the stock further, we are in the process of drafting an Acquisitions Policy which will see a ringfenced budget set, used specifically to purchase and improve (to ensure compliance with WHQS 2023) former Right to Buy properties and properties that assist us in meeting specific needs. We will set an annual target for the number of properties we intend to purchase.

5.3 Garage/Small Sites Workstream

We have identified a number of former garage or smaller sites within the HRA portfolio that could be suitable for small scale development (8 units or less) or which could be packaged together with other smaller sites to create a larger number that would be more attractive to a larger contractor / developer or could be built out by our in-house team. This work is ongoing and will feature more prominently in our development programme for 2024/25.

5.4 Section 106 Process

The ability to purchase affordable homes via the Section 106 process is a critical strand of our ambition to provide more homes. We have the first option to purchase homes where an affordable housing contribution is required. To date, 6 homes have been purchased with a further 2 Low-cost Home Ownership (LCHO) properties pending and a further 7 expected towards the final quarter of 2022/23 and early 2023/24.

5.5 Partnership/Collaboration with Housing Associations

We work closely with partner housing associations largely via a Memorandum of Understanding (MOU) that was established in October 2020. The purpose of MOU is to set out how providers of affordable housing within the county borough will work together on matters relating to affordable housing. This includes the development of new affordable housing, the management and allocation of homes, the allocation of Social Housing Grant funding, measures to tackle and address homelessness and all matters that relate to the management and delivery of housing at strategic level.

We meet with its housing association partners via the Affordable Homes Partnership on a bi-monthly basis and also meet quarterly to discuss the Programme Development Plan and Social Housing Grant allocation.



We are also part of the All Wales Net Zero Carbon timber frame working group and have committed to identifying and enabling the development of a small number of sites linked to the project.

5.6 Innovative Housing Programme Developments

In 2020/21, we secured £3.1m of Welsh Government funding to build 18 new passivhaus certified apartments in Tredomen and Trecenydd in partnership with construction experts Willmott Dixon and local steel frame manufacturer, Caledan Ltd. The apartments have been built to the highest standard of energy efficiency following the adoption of a fabric first approach and have been designed to lower the cost of energy bills to circa £100 per household per annum. The unique steel primaframe solution was designed specifically for these two developments by Caledan Ltd, a Caerphilly based company, which has invested in creating new jobs for local people as a result.

5.7 Former Oakdale Comprehensive School

We are currently looking to develop 85 as part of a mixed tenure scheme at the site of a former comprehensive school in Oakdale. The site is incredibly challenging due to the various levels and the existing ecology. We are working in partnership with Willmott Dixon through the SCAPE Framework to deliver a scheme that seeks to maximise the energy efficiency of homes through the adoption of a fabric first approach and learning derived from the Innovative Housing Programme funded sites in Trecenydd and Trethomas.

An innovative steel frame solution that was developed in Caerphilly by Caledan Ltd will be utilised to construct the homes, together with an innovative non- combustible highly insulated fabric first solution for the building envelope. We are currently exploring options relating to the environmental credentials and standards that will be applied to the scheme including Building Regulations 2025 and Passivhaus certified options. The ambition is to deliver a near or net zero carbon ready scheme using a fabric first approach and innovative design principles are embedded into the design principles of the evolving scheme.

5.8 Ty Darran

We have obtained outline planning approval to build 46 later living apartments at the site of a former care home in Risca. The later living apartments will exceed Beautiful Homes and Spaces standards and set the space and environmental standards for future later developments in county borough.

5.9 Future Developments

We are currently looking at a further five development sites as part of the evolving development strategy. Collectively the sites will deliver between 90 -125 homes and make a significant contribution towards our 400 affordable homes target.

5.10 Housing Led Regeneration

We know the positive impact that building new homes can have on town centres and communities. As a result, housing-led regeneration which is linked directly to the circular economy, climate resilience and mitigation will feature large in our plans to revitalise and transform targeted areas.

5.11 Transitional Accommodation Capital Funding Programme

We have secured funding from Welsh Government via the Transitional Accommodation Capital Programme, which has been introduced to support the quick delivery of new housing to help those people living in temporary accommodation including people fleeing the war in Ukrainian coming into Wales as a Nation of Sanctuary.

We have identified 4 new potential sites throughout the county borough that are close to amenities and transport networks. Investigations are underway to explore whether these sites are capable of accommodating a number of homes that could be provided via a 'turnkey' MMC (modern methods of construction) solution that would be manufactured and built off-site to an appropriate specification. At least two of the sites identified would require the homes to be built above an existing car park and require the support of the Council's planning and drainage teams.

The funding criteria requires that the homes would have to be built and onsite ready for occupation within an 18-month period following the grant approval. All homes provided via the TACP will be built to the required standard and absorbed into our housing stock portfolio.



6

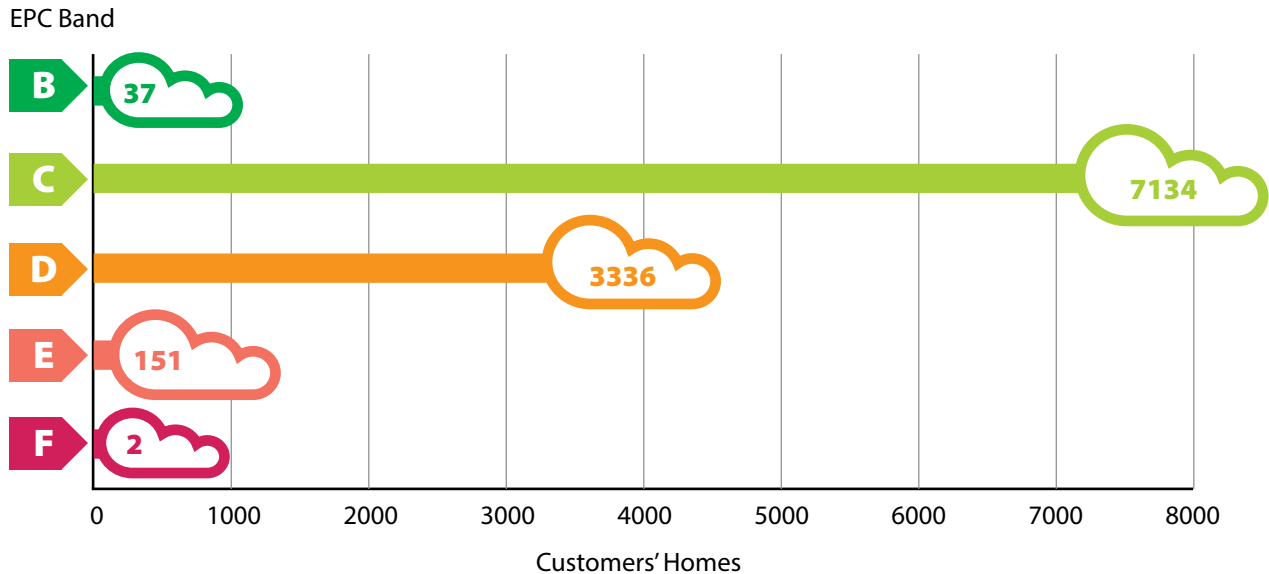
Mitigating Climate Change



6.1 Decarbonisation of the Existing Housing Stock

Research shows that existing housing accounts for a high percentage of carbon emissions in the UK. Reducing carbon emissions through decarbonisation of the existing housing stock will help to mitigate the effects of climate change.

WHQS currently requires that our customers' homes have a minimum Standard Assessment Performance (SAP) rating of 65 (Emergency Performance Certificate [EPC] rating of D). The graph below provides a count of our customers' homes by EPC band. It shows that the average SAP rating is 70.8 but a small number of our customers' homes are currently below the minimum rating.



Plans announced recently by Welsh Government to decarbonise the existing social housing stock will present significant challenges to all social housing landlords in Wales. A revised WHQS (2023) means that all of our customers homes will require further improvement and modernisation.

Proposed targets mean we will need to achieve the following:

STEP 1

Target a high SAP EPC C rating through fabric measures; EIR target to C. Compliance date 2029

STEP 2

Target SAP EPC B through fabric measures. Install energy generation and storage systems where appropriate. Effective implementation will prepare homes for step 3

STEP 3

Compliance date: 2031

STEP 4

Install only appropriate low carbon heat sources from 2026 onwards

Every effort will be made to improve the SAP ratings of our homes towards SAP 92 (A rated), where it is practical and feasible to do so. This will help tackle both fuel poverty and be part of the Council's overall response to the climate change emergency.

We will target the lower energy SAP properties first prior to moving towards the higher SAP properties via a fabric first approach to ensure we meet the new targets that will be set out within WHQS 2023.

To meet this new standard we will upskill our staff through the creation of new training and create pathways focused on energy efficiency and installing new, low carbon technologies. We will endeavour to take a circular economy approach, which will take account of embodied energy in materials and selection of specialist contractors to undertake improvements.

Most of our customers' homes have an "A" rated boiler (96%). Our aim is to get to 100%. From 2026 we will start to install low carbon heating, which could include Hybrid, Hydrogen, Air Source and Ground Source heating and Mechanical Ventilation Heat Recovery (MVHR) systems. We will also evaluate the potential of community heat networks. This will take place following the end of life of existing "A" rated boilers and several pilots will be required to establish the most appropriate system for a given house type.

As we strive to improve our customers' homes to the new WHQS standard, we plan to pilot several renewable energy sources such as solar Photovoltaic (PV), solar thermal and battery storage.

We anticipate that the cost of decarbonising Council homes will be significant and initially estimated at between £300m to £500m. We may need to access additional funding to help meet Welsh Government's new standard, including extending our borrowing limit.



6.2 Net Zero Carbon New Homes

Our ambition is to ensure that all our new affordable homes are as a minimum, net zero carbon ready. As a result, we are exploring ways in which to deliver a wholelife net zero carbon building solution with our construction partners. We are part of the All-Wales Consortium to deliver a net zero carbon timber frame building solution and as part of the Memorandum of Understanding signed by the Cabinet Member for Housing in March 2021 will be making a demonstrator site available as part of the project.

We have delivered two Passivhaus certified schemes on two sites in Caerphilly thereby ensuring that occupants receive the highest level of comfort and energy efficiency that can be achieved together with affordable fuel costs of circa £100 per annum. The learning from these schemes (funded by the Welsh Government's Innovative Housing Programme) will now be applied to the development of 85 new homes at the former Oakdale Comprehensive School site and also a 46 new home later living scheme at Ty Darran, Risca. We will be working with our private sector partners, Willmott Dixon and Caledan Ltd to evolve the solution created for the pilot schemes in order to seek economies of scale and further efficiencies in relation to the steel frame and the building fabric.

We are exploring the use of renewables on our new homes and the benefits that may result however, we are also mindful and aware of the ethical considerations that relate to the sourcing, manufacture and recycling of renewables. Our current focus is on the use and benefits of biophilic design and working with and enhancing the existing ecology and habitats on sites in order to maximise net biodiversity gain and reduce the overall amount of carbon emissions generated at a site masterplan level.

6.3 Decarbonisation of the Fleet

We currently lease 143 vehicles and have recently completed a review of their use and agreed to move to a more environmentally friendly fleet in the future. However, this move will not be straightforward due to the nature of the work and the way the service is delivered operationally. A three strand action plan has been proposed, involving:

- **Reviewing existing working practices;**
- **Assessing vehicle requirements (in the light of the review above); and**
- **Establishing infrastructure requirements.**

A task and finish working group has been established to co-ordinate and undertake a review of existing working practices. A number of options are being considered. It is likely that we will need a hybrid system including overnight charging at depots, rapid charging at depots, charging at a location near to the driver's home and probably home charging.

7

Listening to Customers



7.1 Customer Engagement

We see working with our customers as an essential part of the way we provide services. The way in which customer engage with us has needed to be adapted in the last couple of years due the Covid-19 pandemic and the resultant public health restrictions. Our customers are now engaging through online meetings, online surveys, online focus groups, telephone calls and email.

7.2 Consultation and Communication

We send out regular emails to our customers to update them on topics, Council matters, Welsh Government initiatives such as the Renting Homes Act implementation and Covid-19 advice.

A monthly information exchange meeting is held online with participants also able to access via phone using audio only. The meeting focuses on various topics selected by the participants including Renting Homes Act, health and safety, digital inclusion, environmental programme and the Caerphilly Cares initiative.

Rent consultations were held in May this year via online surveys and online focus groups, with results being reported to the Housing & Regeneration Scrutiny Committee. The most recent consultation focused on affordability and potential use of the Joseph Rowntree Foundation (JRF) Living Rent Model.

We have worked in partnership with Digital Wales to provide a small number of tablets and data to customers who could not otherwise participate in online meetings. We plan to roll this initiative out to other customers in the near future.

19 members of staff took part in Royal National Institute for the Blind (RNIB) Cymru 'Vision Friends' training in 2020 to help people with sight loss access services and support.

We use a wide range of methods to communicate with our tenants and other stakeholders, including press releases issued to local media, regular posts across several social media channels, monthly 'Caerphilly Homes News' e bulletins, annual newsletters, attendance at face to face events, and use of video and digital content.

7.3 Tenant Satisfaction Survey 2021

All social landlords in Wales were required by Welsh Government to undertake a standardised tenant satisfaction survey. We asked ARP-Research to survey our customers, which took place between September and October 2021. The results of the survey were submitted by us to Welsh Government in March 2022.

The combined results of all social landlord surveys were then published by Welsh Government in June 2022. The results enable customers to compare the performance of their landlords against other social landlords in Wales. The results were published under the following headings:

- service provided by the landlord;
- quality of their home;
- repairs and maintenance;
- the neighbourhood;
- value for money;
- how well the landlord listens to them.

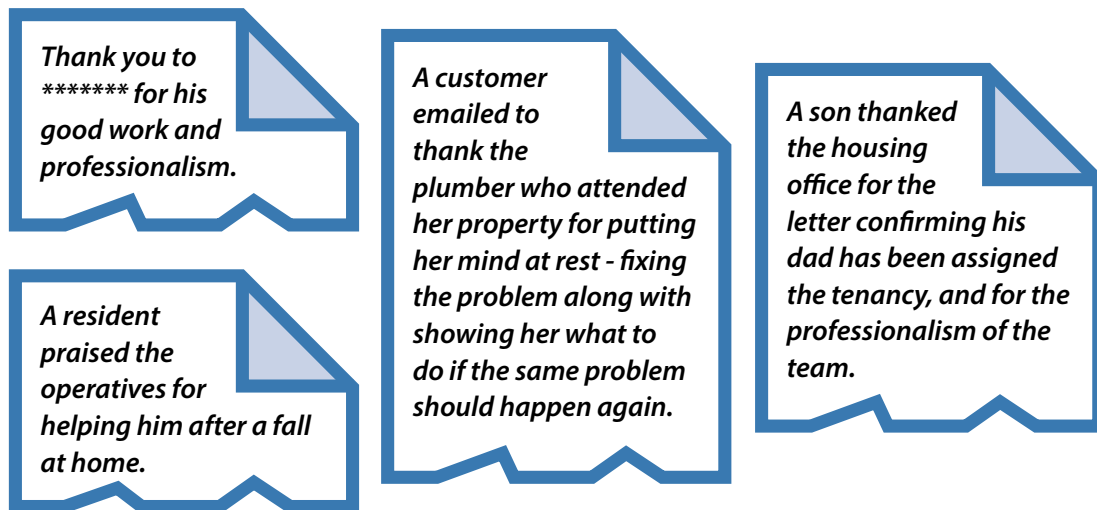
77% of our customers that responded to the survey told that they were satisfied with the services we provided, with 13% of customers saying they were dissatisfied. We are producing an action plan to address concerns expressed by our customers.

We plan to undertake a new survey in 2023.

7.4 Compliments and Complaints

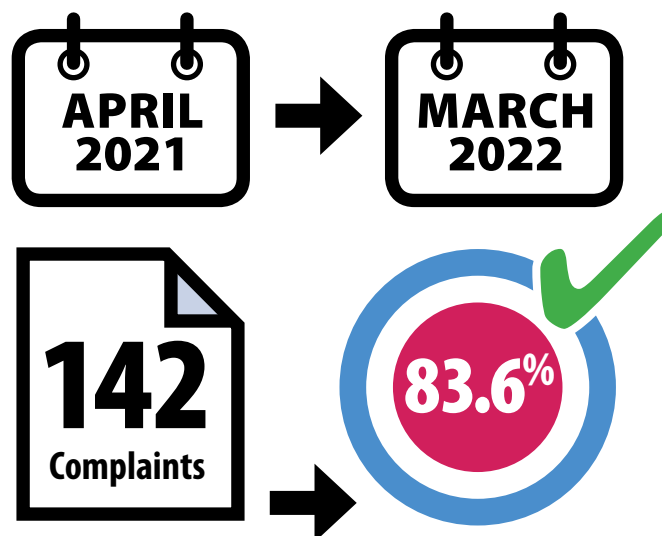
Compliments and complaints are processed in line with corporate standards. We view the recording and analysis of compliments and complaints is an important aspect of ensuring the effectiveness and quality of services we provide to our customers.

Between April 2021 to the end of March 2022, we received 64 compliments from customers and below are some examples:



Between April 2021 to the end of March 2022, we received 142 complaints, 83.6% were completed within the target times. We analyse complaints data using a range of measures, which provides an invaluable insight into our service delivery. They also provide an opportunity to identify and resolve issues which require a change to service delivery.

As such we welcome complaints from customers and are committed to dealing promptly and effectively with those we receive. We present reports to the Governance and Audit Committee at predefined intervals and data is also provided quarterly to the Complaints Standards Authority - Wales.



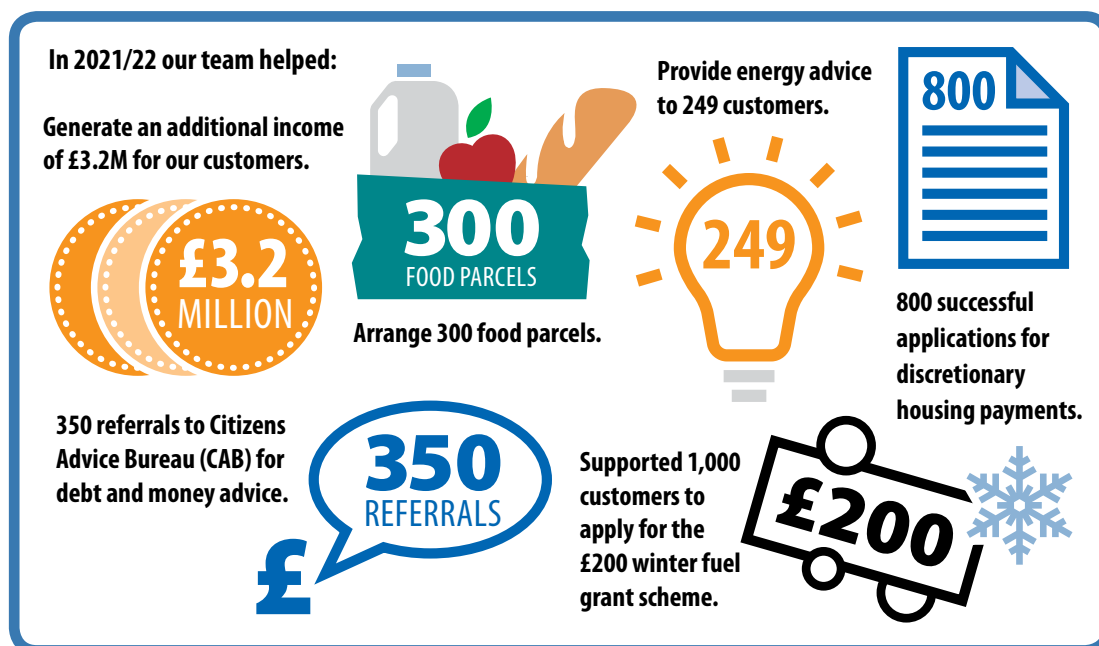
8

Supporting Customers



8.1 Customer Support

In 2012, we set up a dedicated team to support customers affected by the introduction of welfare reforms. The team deliver support by telephone, in our customers' homes and at community venues. Support ranges from right-sizing advice and help to benefit health checks to debt advice and energy advice.



8.2 Impact of Covid-19

We have put in place measures to assist our customers following the Covid-19 pandemic. We have transformed the way we work by embracing the following principals:

- **Creating the right culture:** adopting a person centred approach to support and enable our customers.
- **Prevention and early intervention:** working with a range of organisations to provide good quality and timely support to ensure the sustainability of all contracts.
- **Adapting a person centred approach:** staff have the discretion and flexibility to deal with the bespoke needs of individual customers.
- **Perseverance and help:** breaking down the barriers to engagement and tailoring communication to our customers' needs.

8.3 Managing Anti-Social Behaviour

If it is not managed quickly and effectively, anti-social behaviour can seriously affect the quality of people's life and the sustainability of the communities where our customers' homes are located. Caerphilly Homes is committed to tackling both the impact and cause of anti-social behaviour and has adopted a harm centred approach which means we will:

- Listen to residents reporting anti-social behaviour.
- Provide support, advice and guidance to residents reporting anti-social behaviour.
- Speak to the perpetrator of the report and provide them with advice, guidance and support.
- Take action that is both reasonable and proportionate when we have the evidence to do so.

Over the last 5 years we have received on average 780 reports per year, with noise, harassment, intimidation and threatening behaviour being identified as the main reasons. As part of our approach to managing anti-social behaviour we engage with a range of services and work with other organisations in order to provide support to all those involved in a complaint.

8.4 Safeguarding

We are committed to ensuring that everyone living within the Borough is safe and protected and that our statutory responsibilities to safeguard and protect children, young people and vulnerable adults are effectively met. We all share a responsibility to ensure that all children and adults are treated with respect and protected from others who may abuse them. All employees and contractors who come into contact with children or vulnerable adults in the course of their duties are expected to understand their responsibility and wherever necessary, our duty to take action to safeguard and promote their welfare.

Safeguarding responsibilities for all employees are emphasised from the point of recruitment and throughout their employment. There are clear lines of accountability, responsibility and support regarding safeguarding and these are achieved via relevant staff guidance, training, code of conduct and specific policies and procedures which all staff must adhere to. There is also a range of policies and procedures available to promote and support staff to raise concerns about the safety and welfare of children and adults.

We strive to ensure that through procurement processes, services commissioned and contracted on our behalf have safeguarding responsibilities built into contracts and that appropriate policies and staff training are in place. This includes an expectation that any person or organisation using our resources or premises adhere to our safeguarding standards.

8.5 Floating Support

Floating support services are provided to help our customers who might otherwise be struggling to cope or live independently in their home. They are focused on preventing people from losing their home and becoming homeless. Any of our customers that are experiencing difficulty are able to access a range of floating support services, provided by third sector organisations that have been commissioned by the Council's Supporting People team. These services complement the support services we also provide to our customers and those provided by Caerphilly Cares.



We know that from speaking to our customers during the Covid-19 pandemic that they may be experiencing multiple and complex challenges such as debt, financial capacity, unemployment and contract management, which are being made worse by the cost of living crisis. The person centred support offered by the floating support providers helps to address such problems and improve people's health and wellbeing. These service can be accessed at various locations across the borough.

8.6 Caerphilly Cares

The Covid-19 pandemic and the cost of living crisis highlights further that more needs to be done to help the elderly and most vulnerable in our communities.

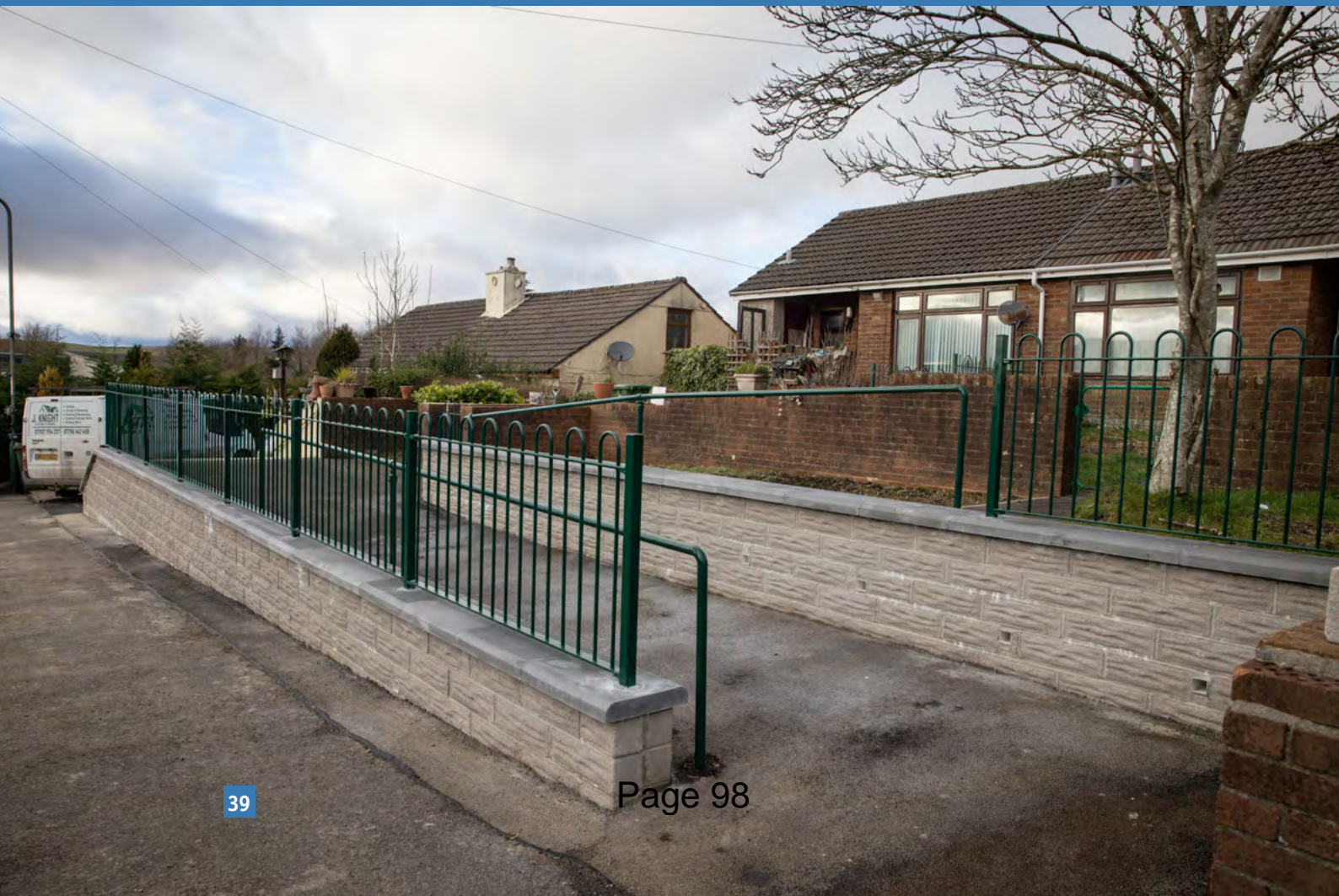
Caerphilly Cares has been established by the Council to do this and is now helping support people that may be affected by food poverty, debt or rent arrears, isolation or loneliness, issues which we know our customers often experience.

A referral pathway is now in place with Caerphilly Cares to ensure our customers receive the support they require when they need it most. Caerphilly Cares also funds 5 members of staff within our Rents Team, which has enabled us to increase the level of support now being provided to our customers.

The vision is for Caerphilly Cares to provide a much larger range of services in the future, potentially from hubs located in communities. This new approach will require us to change the way we currently provide some services to our customers so that we better meet their needs.

9

Addressing Customers Specific Requirements



9.1 Adaptation of Existing Homes

Housing adaptations play a vital role in supporting our customers to live safely and as independently as possible in their own homes for longer; making a significant contribution to our customers' quality of life, their physical health and mental well-being. A team of occupational therapists work closely with estate management officers to ensure that our customers' homes meet their individual needs. Below are some of the adaptation we have provided:

- Level/low access showers;
- Handrails and grab rails;
- Accessible kitchens;
- Improvements carried out to RNIB standards, where required (sensory loss);
- Stair lifts;
- External works e.g. ramped access.

Last year we carried out 517 adaptations, spending £870,749.

9.2 Later Living Accommodation

National population statistics show that people are living longer and that the size of the older persons' population is growing. 2021 Census data shows that 26% of the population in the borough is aged 60 years and over, which is a 3% increase from the 2011 Census.

As people get older, we know that their housing requirements often change. As a result we need to ensure that our housing offer for people in later life continues to meet their needs and match aspirations.

We currently provide 3,148 homes designated as later living including sheltered accommodation. Under our development programme we have plans in the short term to provide new later living accommodation in Risca, which will replace 3 sheltered housing schemes that are scheduled to be decommissioned. Each year we also carry out adaptations to our customers' homes to help keep them stay safe and promote independence.

9.3 Accessible Housing

We use the 'best-match approach' when letting our homes to ensure the most effective use and to enable our customers to live independently and safely. The best-match approach involves assessing the level of accessibility of our homes when they become empty and then matching the property with someone who requires that level of accessibility. Our new customers' accessibility requirements are assessed when they submit a Common Housing Register application.

Where our Occupational Therapists identify that one of our customers' homes fails to meet their needs and is incapable of being adapted, due to design or cost, we will provide advice and support to move to a new home.

Due to the design and location of some of our homes, there is a limited number of homes that reach high levels of accessibility. We are actively looking, as part of our development programme, to increase levels of accessibility.

Last year we used £56,471 of Welsh Government's ENABLE funding to pay for 20 projects aimed at increasing the accessibility of our customers' homes and improving accessibility in and around communal areas of sheltered housing and the general external environment.

19 staff members have recently attended a RNIB Cymru training event that offers an in-depth understanding of the needs of older people with sight loss. Through training we want to help people with sight loss to access the services and support that they need. We hope this approach will help to reduce the number of falls or accidents experienced by some of our customers and help them to stay independent within their homes for as long as possible. We hope to roll this training out later this year to other staff using a train the trainer approach.

Out of the 517 works of adaptation in the public sector, 192 were classed as major and the remaining 325 are minor works. Out of the major lot the following works were completed:

9.4 Equality, Diversity and Inclusion

The Equality Act 2010 places a duty on public sector bodies, such as the Council, to reduce inequality of outcome and to reduce discrimination. Promoting a more equal, diverse and inclusive society is a key priority of the Council. We look to promote equality, diversity and inclusion in all aspects of service delivery and routinely carry out Integrated Impact Assessments when introducing new services or reviewing existing services in order to identify and assess any potential impacts. In 2021 we commissioned Civica to implement a new IT system which will allow us to improve the data we collect and ultimately improve service provision.

10

Ending Homelessness



10.1 Common Housing Register

We are responsible for the operational, day-to-day management of the CHR on behalf of all social housing landlords with housing in the county borough. Since the start of the Covid-19 pandemic we have noticed an increase in the number of households waiting on the CHR. The total number of households now stands at over 6,000. With a mismatch between housing need and available stock we expect to see people waiting for extended periods before they are rehoused, which could result in an increased number of homelessness presentations.

All applications for social housing are made via the Common Housing Register. We provide support to people wishing to submit an application or update their existing application.

Anyone who wishes to access Social Housing within the county borough should apply via the online weblink or, if this is not possible, contact the Common Housing Register Team for alternative ways to complete the application - either over the telephone or in a face-to-face appointment. All applications are assessed by our staff in accordance with the Common Allocation Policy.

10.2 Rapid Rehousing Plan

Using guidance issued by Welsh Government we have produced a Rapid Rehousing Transitional Plan, covering the period 2022-2027. The plan outlines how we will deliver the vision:

To make homelessness rare, brief and unrepeated and to ensure that the primary focus is on prevention and early intervention of homelessness. Where this is not achievable to ensure that any access to and time spent in temporary accommodation is reduced and as short as possible maximising move on for the most vulnerable.


The plan contains the following 7 key objectives that have been produced to achieve the vision:



- 1 Prevention and early intervention**
- 2 Tackle rough sleeping within the borough**
- 3 Enhance the housing first provision**
- 4 Increase the supply and access to permanent accommodation within the borough**
- 5 Allocation policy review to ensure it reflects the objectives of rapid rehousing**
- 6 Increase access to the private rented sector under the local authorities pioneering caerphilly keys private rented scheme**
- 7 Remodel and restructure of temporary and supported accommodation within the borough**


10.3 Homelessness and Housing Need


We received a total of 2,663, homelessness applications in 2021/22, which was an increase from the previous year of 2020/21, and from 2022 to date a total of 2,382 applications have been received. Due to the cost-of-living crisis and implementation of the Renting Homes (Wales) Act 2016 we expect to see further increases over the next few years.


We offer a holistic service and will provide tailored advice and assistance to each individual subject to their specific housing and support need this can include:

Referrals to the Supporting People team to access relevant tenancy support. 

 **Advice and assistance specific to the housing situation.** 

Signposting to agencies if a statutory duty is not owed in order to address issues. 

 **Refer to the Common Housing Register team where there is no threat of Homelessness.**

Process any applications for assistance in accordance with the Housing (Wales) Act 2014. 

We undertake housing and support needs assessments to ensure that we are able to provide viable options to alleviate the potential homelessness situation. Where a statutory duty under Section 66, 73 or 75 of the Housing (Wales) Act 2014 is owed then we will produce a tailored personal housing plan, detailing all housing and support options identified to prevent/relieve the homelessness situation. A referral is then made to the Supporting People team for tenancy related support to assist with achieving the actions outlined in the personal housing plan.

We primarily focus on preventing homelessness and have a number of partnership arrangements and pathways in place to address a range of support issues. Where homelessness cannot be prevented, we will produce a tailored solution to relieve the current situation and help to try and secure accommodation.

10.4 Single Homelessness and Vulnerable People

Single person households who find themselves homeless are the highest presenting household group. Meeting their accommodation and support needs can be challenging due to the lack of 1 bedroom accommodation available to rent within the borough, in our own housing stock and that of other social housing landlords. We are looking to address the shortage of 1 bedroom accommodation through our new build programme.

Single person households represent the largest group placed in temporary accommodation throughout the borough. In response to this issue our Rapid Rehousing Plan sets out our priorities over the next five years to build more accommodation and enhance services for this group, including a multi assessment centre hub and the introduction of a Housing First approach.

We also provide a range of housing and support of those people deemed vulnerable, including outreach support for those people rough sleeping, a dedicated domestic abuse support service, dedicated floating support services for mental health, dedicated floating support services for substance misuse, a dedicated mediation service for young people, a dedicated floating support service for prison leavers and a dedicated support service people in later life.

10.5 Homeless Families

Single parent, female households are our second highest homelessness presentation group after single homeless people. We have developed a range of options to address their housing and support needs of this group including a dedicated temporary accommodation, leased accommodation, floating support services and utilising Caerphilly Keys to maximise access to private sector.

We have a good range of housing available to meet the accommodation needs of this particular group of people.



11

Financial Planning



11.1 Financial Resources and Planning

The Housing Revenue Account (HRA) is a ring-fenced account detailing income and expenditure arising from our landlord functions. Ring-fencing means that all income raised via customers' rent must be re-invested and spent only on council housing. Legislation means that we must separate the landlord functions from other Council services and record all income and expenditure separately in the HRA.

The same legislation means that we must prevent debit balances on the HRA, meaning the HRA cannot be set in a deficit position.

There are some housing related functions that cannot be funded by the HRA. These tend to be statutory services that are available to the whole community not limited to our customers which includes private sector housing and preventing homelessness.

All HRA functions are predominantly funded from the rental income received from our customers. This financial year the HRA estimates 98% of the services will be funded from rental income. The remaining 2% is from service charges, garage rent and some smaller shop and land rental charges.

The main services that this income funds are:

Building Maintenance	Includes response repairs, cyclical testing and inspections, and contributing to the capital programme.
Capital Financing Costs	Includes interest and debt repayment costs from borrowing.
Public Sector Housing	Includes the support from the Area Offices including Estate Management, Tenancy Enforcement, Rent Collection and Tenancy Support.
Strategy, Development and Performance Management	Includes increasing housing supply, The Local Housing Market Assessment and addressing statutory requirements from Central or Welsh Government.
Other	Includes central recharges from internal services, bad debt provision and IT costs.

Rental income is governed by Welsh Government in terms of its annual increases and ensuring affordability and other strategic objectives (see Section 11.6 for more detail).

Legislation and standard accounting practices requires us to hold HRA capital expenditure in the HRA Capital Account and not the HRA Revenue Account. The HRA Capital Account is predominantly funded from the rental income received from our customers.

This is called a Revenue Contribution to Capital Outlay (RCCO) and funds activities like our building maintenance programme.

Each year we receive £7.3m of Major Repairs Funding (MRA) from Welsh Government to help maintain the condition of our customers' homes. Other funding available to us includes capital receipts (from asset sales), targeted grants (e.g. energy efficiency), and borrowing.

The 2022/23 HRA Capital Programme includes the cost we incur for building new homes, maintaining the Welsh Housing Quality Standard (WHQS) through our Post Asset Management Strategy Programme (PAMS), Large Scale Voids, and Adaptations. There are also some one-off projects this year in Montclair Avenue Blackwood, George Street, Cwmcarn, and Bryn Carno, Rhymney.

This year the combined cost and funding for both the HRA Revenue (£55.8m) and HRA Capital (£35.6m) are £91.1m.

As part of the Major Repairs Allowance (MRA) criteria, we are required to submit a new business plan to Welsh Government each year. Failure to submit a new business plan could result in the MRA being withdrawn.

The business plan is a long-term, 30-year plan for managing our assets and financing any necessary investments. It is a key element in ensuring the effective long-term management and maintenance of our customers' homes. It a financial forecast reliant on key assumptions that identifies the resources and funding we require to ensure that our customers' homes meet the WHQS and is maintained thereafter, together with other strategic objectives such as increasing the supply of new homes.

11.2 HRA Business Plan Risk Matrix

The business plan is a long term model based on a number of assumptions, which can change frequently and alter the outcome of the plan.

To test the viability of the business plan we undertake an exercise called sensitivity testing. This shows if any deviations from our assumptions makes our plans unviable. If they do become unviable then we need to put in place a plan to rectify this. We do this to limit the risk against the business plan.

The table below shows the sensitivities analysed against the current plan:

	Year 1	Year 2
Rents reduced to CPI only	✓	
Rents reduced to 2%	✓	
Materials increased by 10%	✓	
Bad debts increased to 8%	✓	✓
Combination of 1 and 3 above	✓	

The sensitivities allow the Council to identify any potential risks to the plan and what type of action will be required to mitigate the risks.

11.3 Key Assumptions Used

The business plan is a 30-year model. It contains many assumptions necessary to project the financial picture over a long period of time. Welsh Government are not prescriptive in terms of the assumptions we use but ask that there are clear explanations as to why they are being used and how they are calculated.

Assumptions are basically estimates using current and historic data together with some element of knowledge to predict future impacts. This undoubtedly means there is a high degree of uncertainty within the plan as any variables within the assumptions can lead to a different outcome within the business plan.

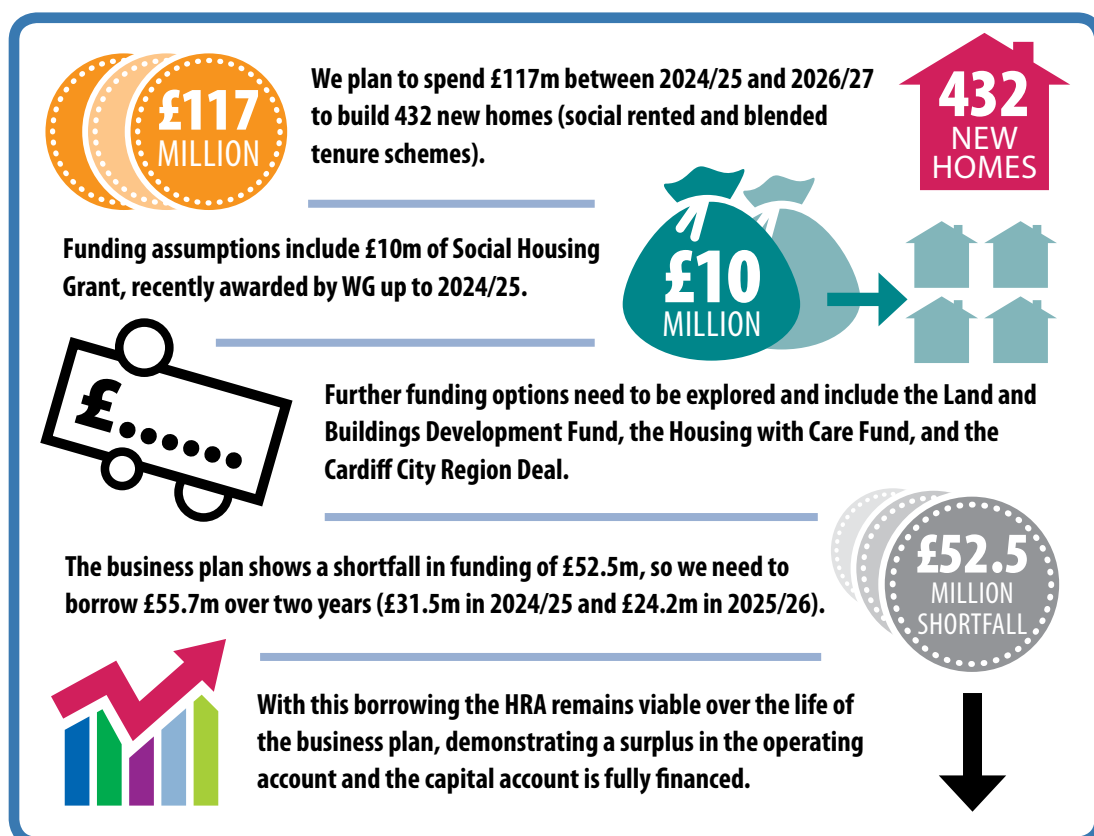
The table below contains the main assumptions we used in this year's business plan.

Area	Assumption	Rate/ Value	Comment - why have you included this rate/value in your base plan?	Comment - how has this changed from previous years?
General	General inflation rate	5%	The general 2% is unlikely to be sufficient in the short term UK RPI forecasts suggest inflation will fall sharply mid 2023.	This is an increase from the previously WG advised 2% due to the unprecedented inflation increases affected by Covid-19 and Brexit and The Ukraine Crisis.
Rental Income	Rent increases 2022/23	5%	As agreed by members.	Rent is not the same every year as it depends on the CPI level and other factors (e.g. this year the policy was overridden by WG due to the high inflation)
Rental Income	Rent increases beyond 2023/24	3-4%	Ranges between 3% and 4% assuming the plus 1% is not removed in future years (Early indications on the Joseph Rowntree Foundation affordability model suggests Caerphilly rents are lower on all of its stock so the maximum increase is assumed.	As above
Rental Income	Voids provision	2.5%	As at December 2021 void rate was 2.52% but has started to decrease slightly.	Voids have seen a steady increase since 2020 and peaked at 3.1% in February 2021 but recently starting to see it settle towards its typical average rate.

Area	Assumption	Rate/ Value	Comment - why have you included this rate/value in your base plan?	Comment - how has this changed from previous years?
Rental Income	Arrears	5.1%	As at December 2021 bad debt rate was 4.29% with a further increase predicted. This is due to tenants being supported to sustain their tenancies rather than evict.	Arrears have seen a sharp increase since 2020, some interventions have assisted, but with energy and food costs increasing, it is prudent to keep at this level for the following year.
Costs	Staff cost increases	0%	The assumptions have been considered against the Councils budget proposals for 2023/24 which includes forecasts for pay awards, national insurance and employers pension contributions. The inflation rates in the business plan account for these increases.	See above
Costs	Maintenance cost inflation	2%	A further 2% on top of base inflation is included in the plan on the expectation that prices will remain high across a range of areas.	BCIS has predicted a 16% rise from 2022 to 2027 so on average s 3.2% increase but this will not affect all materials that we use.
Costs	WHQS cost inflation	2%	As above	As above
Costs	Construction cost inflation		As above	As above
Debt	Debt pools		Consolidated pool	No change
Debt	CRI/MRP rates		MRP is a straight-line 2%. CRI is calculated based on the debt profile for the authority accounting for all the interest rates on all its loan types and dividing the total interest into the total debt to arrive at a consolidated average interest rate each year. The interest rate charged to the HRA is apportioned based on the volume of debt.	No change

11.4 HRA Business Plan Projections

The first year of the business plan should be the same as the current year HRA and Capital Programme, which has been approved via the annual rent increase process. This is then extended to a 30-year projection based on a number of assumptions and modelling (see section 11.3) and also any future commitments such as the new build programme. The business plan is then tested for viability in terms of its operating (revenue) account, level of reserves, capital account and its level of borrowing.



Welsh Government requires a number of sensitivity tests against the base plan, which models different stresses around key risks to the plan over the next 10 years. The sensitivities are not prescriptive but we are expected to consider global and local challenges and how this will impact on the HRA remaining viable, if the WHQS can still be maintained, and if borrowing remains affordable.

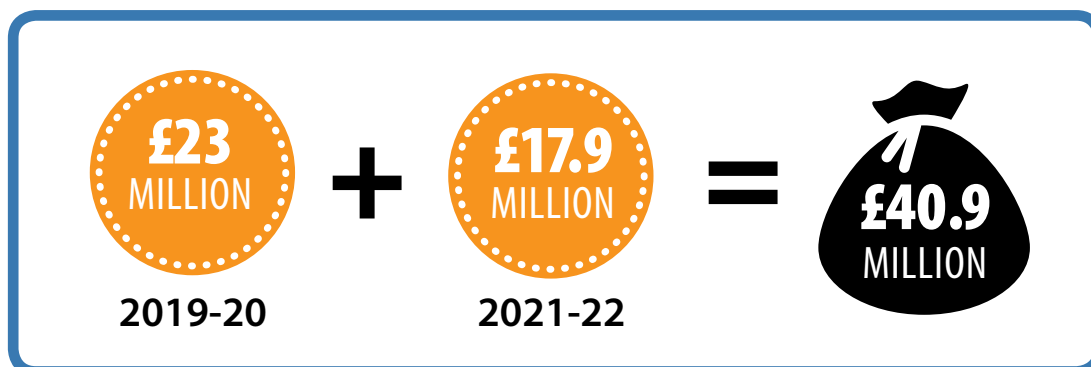
Welsh Government have introduced plans to revise the WHQS for 2023. One of the biggest changes of the new standard will be around affordable warmth and decarbonisation, and Welsh Government are considering how they can support delivery alongside a new Optimised Retrofit Programme (ORP). Welsh Government acknowledges that councils will not have yet produced any firm decarbonisation targets or measures to work with. We are not expected to provide comprehensive costed models in the current business plan.

We are currently working on some high-level costings to demonstrate the financial impact of decarbonisation ahead of the WHQS 2023 launch.

We report the business plan for Cabinet endorsement on an annual basis prior to submission to Welsh Government.

11.5 Prudential Borrowing Requirement

As with any major investment programme such as WHQS or building new homes, there will be occasions where the in-year funding streams are not sufficient to cover the total cost of the programme. So, we will need to borrow money to ensure the business plan remains viable. Borrowing has been accounted for in the business plan and is currently sourced from the Public Works Loan Board (PWLB) following the Prudential Code for Capital Finance in Local Authorities.



A borrowing limit of £90m was originally agreed to fund the completion of the WHQS programme and progress with new build developments. To date we have borrowed £40.9m. With our ambitious new build programme, together with maintaining our customers' homes, we have needed to increase the borrowing limit to £100m. Although, we haven't yet fully assessed the financial impact of implementing WHQS 2023, we expect the borrowing limit to be extended in the near future.

11.6 Policy on Social Rents

Welsh Government's Review of Affordable Housing Supply, dated April 2019, made a number of recommendations to increase the supply of new homes. One of the recommendations concerned a sustainable rent policy, which would help determine long-term affordability for our customers and the viability of existing and new housing developments:

1. Welsh Government should implement a five-year rent policy from 2020-21. This has been based on CPI plus 1%, plus an additional £2.
2. There should be a focus on landlords considering Value for Money alongside affordability. An explicit annual assessment on cost efficiencies should be part of the rationale for justifying any rent increase.

Welsh Government expects all social landlords to set a rent and service charge policy that ensures rents for their customers' homes remain affordable for current and future occupants. As part of this process, each year we need to assess cost efficiencies, value for money and affordability for customers.

The Minister is also keen to continue with a number of new initiatives as part of the wider rental agreement, which include:



Strengthen approaches designed to minimise all evictions, working effectively with partners to deliver on a new agreement not to evict into homelessness.

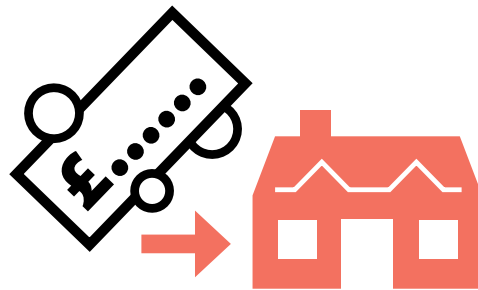


Undertake a standardised tenant satisfaction survey for publication on a central website to assist tenants in scrutinising and comparing landlord performance.

Build on existing commitments to deliver high quality homes, which comply with the new housing quality standard (WQQR 2021) across all tenures on sites that attract Welsh Government funding.



Continue to work towards an aspiration that all new build housing, regardless of tenure, achieves energy efficiency standards of no less than EPC A on sites that attract any Welsh Government funding.



All social landlords are required to make, and evidence, an annual assessment of affordability for their customers, cost efficiencies and to demonstrate their homes and services represent value for money as part of their decision on the rent uplift to be applied each year. In February we submitted a self-certification monitoring form to Welsh Government, which will be used to monitor our compliance with the Welsh Government Rent Standard.



The Council's annual rent is approved by Cabinet and is governed by Welsh Government's rent policy using the level of CPI from the previous September (which was 10.1%).

As the level of inflation was beyond expectations, The Minister for Climate Change announced on the 16th of November 2022 that from April 2023, the maximum limit which social rents can increase will be 6.5% which is well below the rate of inflation that also increased to 11.1% on the 16th November 2022, a 40 year high. However, having considered the review, along with wider factors such as the cost of living and its impact on tenants, the pressures arising from growing levels of homelessness, the need to decarbonise our existing stock, to maintain the Welsh Housing Quality Standard and to build new high-quality homes that are near zero carbon, The Minister has confirmed that given the existing and future financial outlook, it has been very difficult to consider the right level of rent increase for the social rent settlement 2023/24, and has therefore pursued a voluntary agreement from Councils and RSL's to ensure tenants are supported through the cost of living crisis.

In December, Cabinet agreed a £6.52 increase in rents. The average weekly rent our customers will pay this year is £99.90 over 52 weeks. Caerphilly Homes rent is still one of the lowest rents across all the Welsh Local Housing Authorities.

Caerphilly Homes along with all other social landlords in Wales have also voluntarily agreed there will be no evictions due to financial hardship for the term of the rent settlement in 2023-24, where contract holders engage with their landlords.

The principal objective at Caerphilly Homes is the management and sustainment of tenancies. Eviction is the last resort, fully embracing the Welsh Government aim of no evictions into homelessness. Adoption of a person centred, customer focused approach for supporting and enabling contract holders, has led to no evictions for financial hardship in the last 2 years.

We have been carrying out a review of our rent to determine affordability for our customers. We have used the Living Rent model developed by the Joseph Rowntree Foundation to help us complete this exercise. The model states that a single person should not spend more than 28% of their net pay (after all deductions have been taken out) on rent for a standard single person unit of accommodation.

We found that 100% of our stock was below the 28% threshold, evidencing the rent we charge customers is affordable. However, for some of our customers it showed that the rent was unaffordable.

In July 2022, Cabinet agreed for us to use the model when setting future rent levels and we would welcome a consistent approach to an affordability model as requested by Welsh Government.



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COUNCIL – 23RD MAY 2023

SUBJECT: FUTURE OF CAERPHILLY HOMES TASK GROUP

REPORT BY: CORPORATE DIRECTOR FOR SOCIAL SERVICES AND HOUSING

1. PURPOSE OF REPORT

- 1.1 For Council to consider and agree the future of Caerphilly Homes Task Group (CHTG) due to the completion of the Welsh Housing Quality Standard (WHQS) Programme and future work of Caerphilly Homes. The report was considered by the Housing & Regeneration Scrutiny Committee on the 27th February 2023 and Cabinet on the 8th March 2023; comments from the Committees are included in Section 10 of the report.

2. SUMMARY

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

3. RECOMMENDATIONS

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

tenants/contract holders to have an opportunity to express views and be consulted on the future direction of Caerphilly Homes. Proposals for changing our engagement / consultation with tenants will be reported to Scrutiny Committee for consideration, prior to going to Cabinet for approval.

4. REASONS FOR THE RECOMMENDATIONS

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

5. THE REPORT

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

Future Tenant/Contract Holder Engagement

- 5.7 Caerphilly Homes recognises the importance of listening to and acting on tenant/contract

holder's views and remains committed to involving them in developing the strategic direction. The process of tenant/contract holder engagement and involvement in debating what services are required and delivered is under constant review. This results in new mechanisms and initiatives with a focus, not only on tenant/contract holder consultation, but also providing opportunities for tenant/contract holders to have a meaningful, positive impact on the delivery of services, thereby achieving measurable outcomes and improvements.

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

activities to be fed back in a report to Head of Housing/Cabinet Member. Actions to be developed from the conversations. Head of Housing/Cabinet Member to attend future conversation sessions to give feedback.

- 5.15 Housing Improvement Partnership (HIP)
The Group hasn't met since Covid but is now in a position to relaunch and is open to new participants. The HIP is an independent group of tenants not involved in any other groups. The HIP uses customer journey mapping principles to look at the experience tenants have when using Caerphilly Homes services.
- 5.16 The aim is for the Group to look at 2 areas of the service each year over 6-8 sessions using evidence such as letters, emails, transcription of telephone conversations and when available, call recording will also be utilised. Reports from this Group are sent to the appropriate service manager in Caerphilly Homes for consideration and if appropriate implementation of their recommendations to improve service delivery. This group has in the past looked at landlord's consent, income recovery, tenancy support service, floating support service, tenancy enforcement and mutual exchanges.
- 5.17 Tenant Participation Strategy
The current strategy is out of date (2019) and needs to be updated so there will be consultation on the current objectives and whether they are still fit for purpose or need to change in this financial year.
- 5.18 WHQS 2023
Tenant representation will be sought in any discussion on the new consultation framework that will need to be developed for WHQS 2023. This will start later this financial year as Welsh Government announce plans. By definition and context this will be a comprehensive survey of all tenant /contract holder views on the refurbishment and upgrades of all properties in Caerphilly Homes ownership focusing on affordable warmth and decarbonisation.
- 5.19 Review Groups
Where issues are raised by tenants/contract holders or staff there may need to be a review of an aspect of service in a different way to that undertaken by the HIP. These groups would be open to tenants/contract holders with recent experience of that aspect of the service under review, facilitated by Tenant and Community Involvement Team (TACI) and led by appropriate managers.
- 5.20 Tenant Satisfaction Survey Action Plan
Headlines of the findings of 2021 tenant satisfaction survey have been shared with tenants/contract holders. Later this calendar year the action plan to address some of these findings that need improvement will be published by Caerphilly Homes.
- 5.21 New Tenant Satisfaction Survey
There is a requirement to update the 2021 comprehensive survey, for submission to WG by March 2024. The new comprehensive survey is likely to be needed for distribution in the autumn of 2023. The results of this will help us shape our offer further to provide meaningful activities/consultation that is designed around how our tenants/contract holders want to be engaged. A leaflet sharing feedback on the last survey has been sent to all tenants.
- 5.22 Neighbourhood Days/Surgeries
Targeted opportunities for different sections of Caerphilly Homes to attend Neighbourhood Days/Surgeries and be open to all tenants/contract holders to give their

views on relevant consultations and to feedback on general issues. Makes the whole service more visible and relevant to tenants.

5.23 Social Media and online surveys

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

5.24 Tenant Portal

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

5.25 Rent and Affordability Consultation

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

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

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

6. **ASSUMPTIONS**

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

7. **SUMMARY OF INTEGRATED IMPACT ASSESSMENT**

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

8. **FINANCIAL IMPLICATIONS**

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

9. PERSONNEL IMPLICATIONS

- 9.1 There are no personnel implications arising from the report.

10. CONSULTATIONS

- 10.1 Comments received have been taken into consideration within the report.
- 10.2 The report was presented to the Housing and Regeneration Scrutiny Committee on the 27th February 2023 and Cabinet on the 8th March 2023.
- 10.3 The Scrutiny Committee noted the plans for current and future ways to engage with tenants and contract holders and CHTG was made up of both Tenants and Councillors, the committee asked how the future plans will involve Councillors.
- 10.4 Members were advised that the CHTG was set up for a specific purpose with an equal number of Tenants and Councillors and now the WHQS is complete. It should also be noted that the Housing and Regeneration Scrutiny Committee was also established after the CHTG and provides Members with a forum for consultation. Members asked if there is any intention to offer a co-opted position on the scrutiny committee to a tenant representative. The committee were advised that this is not something that has been proposed.
- 10.5 Members were advised that although the report focusses on future engagement with contract holders there will be engagement with Councillors as we go forward. There will be significant consultation for example on WHQS 2023 where Councillors will be involved. There will also be a tenant exchange group where tenants will have a direct link to the Head of Housing and the Cabinet Member for Housing and then back to this committee.
- 10.6 The Scrutiny Committee sought assurance that the Communication Strategy will allow for consultation with tenants who do not have internet access or social media. Will there be contact through tenant support officers actually visiting properties to gather information on what tenants think of our services and what they need.
- 10.7 Members were advised that the council uses all sorts of communication methods to contact tenants, such as newsletters and surveys, and do not to rely solely on email – although that is the most efficient.
- 10.8 Further detail was requested on the new methods of consulting highlighted in the report and whether the Cabinet Member was comfortable with the activities and noted that CHTG has not met since COVID.
- 10.9 Members were advised that the key feature will be the WHQS 2023 and how the consultation strategy will need to work around that. However, until Welsh Government announce their plans it is difficult to say how it will work. It was confirmed that CHTG had met in July to thank them for the work they had done but going forward the aim is to have a greater breadth and depth of those engaged and seek a wider range of opinions. The Cabinet Member stated that all Councillors regularly speak with tenants on housing issues and feed back to the housing department, the tenant exchange group referenced in the report will provide a mechanism for him to listen to tenants on any issues they may have.
- 10.10 The scrutiny committee sought clarification on the impact of the new contracts where contract holders are causing a nuisance and the Authority wishes to pursue an eviction.

Members were reminded that the new Contracts came about from the Renting Homes Wales Act 2016 and came into effect in December 2022. The terminology has changed from Tenant to Contract holder. In respect of antisocial behaviour there are different ways of looking at it in terms of who is the perpetrator and whether it is the actual contract holder and as yet there have not been any cases to consider. The Act provides the rent payer more rights and more protection for all types of rented accommodation, not just social landlords.

- 10.11 Members sought information on the outstanding WHQS works to sheltered accommodation complexes and referenced Britannia Complex which is currently having works undertaken. The committee asked what other outstanding works are required and why the report states that the WHQS is completed. Members were advised that under the WHQS there was a term 'Acceptable Fails' this applied to works that were over and above the WHQS criteria, and this applied to five sheltered housing complexes which needed longer term programs of work. Therefore, the Authority was permitted to exclude these from the WHQS completion numbers and are in the planned maintenance program. However, with reference to a previous question it should be noted they do have an impact on void figures and have to be excluded from true voids to get an accurate figure.
- 10.12 Members asked in respect of WHQS 2023 if there is a plan to set up another tenants group and if there is, why are we disbanding the CHTG. The committee were advised that there are no plans to have a similar task group and the consultation process will be outlined and specified by Welsh Government. This has been outlined within their preliminary advice on WHQS 2023 and they want a comprehensive consultation strategy for all residents and tenants. This will need to be robust transparent and enable all views and opinions to be brought in.
- 10.13 The Scrutiny Committee asked if there is any indication on the timescales for WHQS 2023. Members were advised that originally Welsh Government planned to announce last month but it is understood to be imminent. The original plan was a ten year program and our consultation response was that this is an ambitious time frame to achieve net zero across all stock, which will have an impact on the Business Plan, as this is not affordable currently.
- 10.14 The recommendations were moved and seconded and supported by the majority present at the Housing and Regeneration Scrutiny Committee.
- 10.15 On the 8th March 2023, Cabinet noted that the report had been considered by the Housing and Regeneration Scrutiny Committee on the 27th February 2023.
- 10.16 Consideration was given to the report which sought Cabinet agreement on the future of the Caerphilly Homes Task Group (CHTG) due to the completion of the Welsh Housing Quality Standards (WHQS) Programme.
- 10.17 Cabinet placed on record their thanks to all the Tenant Representatives that sat on the Task Group for all their hard work and much valued contributions.
- 10.18 Given the strong representation from tenants on the Group, Members queried how tenant engagement would be maintained going forward. Officers confirmed that they would be exploring and reviewing engagement options on a more of an ongoing conversation basis. Officers would be utilising all forms of engagement and communication not just digital platforms on order to reach even those who tended not to engage.

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

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

1. The comments of the Housing and Regeneration Scrutiny Committee be noted.
2. The discontinuation of CHTG, for the reasons stated within the report. A special meeting was held in July 22 with the Repairs & Improvement Group and tenant members of CHTG following the completion of the WHQS programme to review the achievements and challenges, whilst also celebrating its successful conclusion be approved.
3. The CHTG for the contribution it has made towards achieving the Welsh Housing Quality Standard be commended.
4. The various existing and potential new methods to be explored by Caerphilly Homes for engagement with tenant/contract holders now and in the future. The proposals for effective and meaningful engagement will enable more tenants/contract holders to have an opportunity to express views and be consulted on the future direction of Caerphilly Homes be acknowledged and approved.

11. STATUTORY POWER

11.1 Section 21 of the Local Government Act 2000.

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Consultees: Housing and Regeneration Scrutiny Committee - 27.02.2023
Cabinet - 08.03.2023

Cllr Sean Morgan	- Leader of Council
Cllr Shayne Cook	- Cabinet Member for Housing
Christina Harrhy	- Chief Executive
Dave Street	- Corporate Director for Social Services and Housing
Mark S Williams	- Corporate Director for Economy and Environment
Richard (Ed) Edmunds	- Corporate Director for Education and Corporate Services
Robert Tranter	- Head of Legal Services and Monitoring Officer
Stephen R Harris	- Head of Financial Services and Section 151 Officer
Fiona Wilkins	- Housing Services Manager
Jane Roberts-Waite	- Strategic Co-ordination Manager
Lesley Allen	- Principal Accountant (Housing)
Catherine Edwards	- Head of Asset Maintenance and Repairs
Mandy Betts	- Tenant and Community Involvement Team