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Date: 24th September 2014

Dear Sir/Madam,

A meeting of the **Cabinet** will be held in the **Sirhowy Room, Penallta House, Tredomen, Ystrad Mynach** on **Wednesday, 1st October, 2014** at **2.00 pm** to consider the matters contained in the following agenda.

Yours faithfully,

A handwritten signature in blue ink that reads 'Chris Burns'.

Chris Burns
INTERIM CHIEF EXECUTIVE

A G E N D A

- 1 To receive apologies for absence.
- 2 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 the agenda in accordance with the Local Government Act 2000, the Council's Constitution and the Code of Conduct for both Councillors and Officers.

To approve and sign the following minutes: -

- 3 Cabinet held on 17th September 2014.

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

- 4 Invest to Save Bids.
- 5 Improving Governance Programme Update.

A greener place Man gwyrddach



6 Housing Solutions: Social Lettings Agency.

7 Islwyn West Secondary School - Update.

To receive and consider the following reports, which require a recommendation to Council: -

8 Workforce Flexibilities.

9 CCBC Local Development Plan (First Review) up to 2031: Population and Household Growth Options.

10 Local Development Plan - Annual Monitoring Report 2014.

Circulation:

Councillors Mrs C. Forehead, D.T. Hardacre, K. James, Mrs B. A. Jones, G. Jones, Mrs R. Passmore, D.V. Poole, K.V. Reynolds, T. J. Williams and R. Woodyatt,

All other Members not listed above.

And Appropriate Officers



CABINET

MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, TREDOMEN, ON WEDNESDAY, 17TH SEPTEMBER 2014 AT 2.00 P.M.

PRESENT:

Councillor K.V. Reynolds - Leader

Councillors:

Mrs C. Forehead (HR and Governance/Business Manager), D.T. Hardacre (Performance and Asset Management), K. James (Regeneration, Planning and Sustainable Development), G. Jones (Deputy Leader and Cabinet Member for Housing), Mrs B. Jones (Deputy Leader and Cabinet Member for Corporate Services), Mrs R. Passmore (Education and Lifelong Learning), D.V. Poole (Community and Leisure Services), R. Woodyatt (Social Services),

Together with:

C. Burns (Interim Chief Executive), Mrs S. Aspinall (Acting Deputy Chief Executive), Mrs N. Scammell (Acting Director Corporate Services and S.151 Officer).

Also in Attendance:

M. Headington (Principal Officer, Outdoor Facilities and Bereavement Services), C. Jones (Head of Performance and Property), R. Roberts (Performance Manager), G. Williams (Interim Head of Legal Services and Monitoring Officer), A. Price (Acting Deputy Monitoring Officer), E. Lucas (Head of Procurement), R. Allen (Assistant Solicitor/Senior Legal Assistant), S.M. Kauczok (Committee Services Officer).

1. APOLOGIES FOR ABSENCE

Apologies for absence had been received from Councillor T.J. Williams (Cabinet Member for Highways and Transportation) and Mr D. Street (Corporate Director Social Services).

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. CABINET

RESOLVED that the minutes of the meeting held on 3rd September 2014 (minute nos. 1-9; page nos. 1-4) be approved and signed as a correct record.

MATTER ON WHICH AN EXECUTIVE DECISION WAS REQUIRED

4. REVISION OF CEMETERY REGULATIONS

The report sought Members' views on a revision to the current cemetery regulations. The current regulations were formally adopted by the Authority in 2006 but now required revision to incorporate new facilities and initiatives.

Following consideration and discussion it was moved and seconded that the recommendations in the report be approved. By a show of hands this was unanimously agreed.

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

1. The revised cemetery regulations set out in Appendix 1 which includes changes highlighted in bold and italicised text and takes into account those additions set out in section 4 of the report, be approved.
2. The previous regulations be rescinded and cease to have any effect.

RECOMMENDATION TO COUNCIL

5. ANNUAL PERFORMANCE REPORT 2013/2014

The report sought Members' views on the Authority's Annual Self-Assessment, the Performance Report 2013/2014, prior to its presentation to Council on 7th October 2014.

Members received a summary of the Council's performance in terms of the Improvement Objectives it set itself for 2013/14. It was noted that 5 of the 6 Council Improvement Objectives had been delivered successfully and only one (I.O.5 - Investment in Council homes to transform lives and communities) had not delivered the whole of the planned outcome but it was noted this is a much longer term objective than the others. The main setback had been the deferment of the environmental projects until the latter end of the WHQS Programme, which impacted on a number of the original planned actions. Members were informed that whilst pages 20 and 21 of the draft report state that approximately 65 of the homes had been assessed as fully compliant with WHQS, this figure had now increased to 108, which means that the target had been exceeded.

The Council's performance against other local authorities, using the Welsh Government's National Strategic Indicators and Public Accountability Measures, had been mixed. Of the 44 indicators used to create the national picture, 30 improved upon the 2012/13 results, 3 maintained the maximum performance level of 100% and 11 declined. Sixteen of the indicators are in the "Upper Quarter" in Wales including 7 which are the best (1st) in Wales.

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

RECOMMENDED that for the reasons contained in the officer's report, the Annual Performance Report 2013/14 be accepted.

URGENT EXEMPT ITEM

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 and it was: -

RESOLVED that in accordance with Section 100(4) of the Local Government Act 1972 the public be excluded from the remainder of the meeting because of the likely disclosure to them of exempt information as defined in paragraphs 14 and 16 of Schedule 12A of the Local Government Act 1972.

6. UPDATE ON ONGOING LITIGATION IN RESPECT OF A PROCUREMENT RELATED MATTER

The report provided Members with an update on legal proceedings issued against the Council in respect of a procurement related matter.

This report was urgent on the basis that the Council is to take part in mediation on 22nd September 2014 and the Council's interest would be prejudiced if a decision is not made before the mediation commences. In accordance with the Council's Constitution the decision is exempt from call-in as it relates to legal proceedings and was urgent.

Following consideration and discussion, it was moved and seconded that the recommendation at paragraph 9.1.2 in the report be approved and that the upper limit of the figure to offer to settle by way of mediation be agreed in line with the advice received from the Council's legal advisors. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the officer's report, the recommendation at paragraph 9.1.2 in the report be approved.

The meeting closed at 2.45 pm.

Approved and signed as a correct record subject to any corrections made at the meeting held on 1st October 2014.

CHAIR

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CABINET – 1ST OCTOBER 2014

SUBJECT: INVEST TO SAVE BIDS

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151 OFFICER

1. PURPOSE OF REPORT

- 1.1 To ask Cabinet to consider a range of bids for one-off funding that will either result in on-going revenue savings or address identified unavoidable cost pressures.

2. SUMMARY

- 2.1 Through the Capital Strategy Group, Heads of Service have been asked to submit bids for one-off funding that will result in cashable on-going revenue savings or will address unavoidable cost pressures.
- 2.2 This report presents details of the bids received and makes appropriate recommendations for Cabinet to consider.

3. LINKS TO STRATEGY

- 3.1 2014/15 Budget Report agreed by Council on the 26th February 2014.

4. THE REPORT

- 4.1 The 2014/15 Budget Report agreed by Council on the 26th February 2014 identified the potential to use General Fund balances of up to £2.499m for one-off capital expenditure as cost avoidance or Invest to Save schemes. Council approved a recommendation that bids to utilise this funding should be considered on a case-by-case basis by Cabinet.
- 4.2 A number of bids were invited through the Capital Strategy Group but due to a range of new emerging cost pressures and the worsening financial outlook it was not prudent to progress the bids due to the need to maintain adequate General Fund balances.
- 4.3 As an alternative, Heads of Service were invited to submit bids for consideration for funding under the "New Initiatives Fund". This is a separate reserve held by the Authority that has been previously used to provide one-off funding to support investments that generate cashable savings (i.e. an Invest to Save basis). Any funding awarded is subject to Cabinet approval and is repayable over a typical period of five years (in effect it is an internal loan).
- 4.4 A number of bids were subsequently received and these are summarised in appendix 1. A brief description of each proposal is provided in the appendix along with details of the amount requested, the annual saving and the payback period (i.e. the timeframe over which the initial outlay is recovered). Cabinet should note that the total funding available is £792,470 and that

the value of the bids submitted is £1,524,905.

- 4.5 The bids have been reviewed by the Corporate Management Team (CMT) and it is recommended that the following bids should not be considered for funding under the New Initiatives Fund due to the extended length of the payback period: -

Ref No	Description	Investment Required (£)	Payback Period (Years)
7	Caerphilly Day Centre - Replacement of Heating System.	30,000	27.0
8	Ystrad Mynach Day Centre - Boiler Replacement.	60,000	12.8
9	Brooklands Day Centre - Boiler Replacement.	80,000	12.5
10	Integrated Transport Unit - Purchase of Replacement Specially Adapted Vehicle for Social Services.	67,000	26.8
	Total: -	237,000	

- 4.6 The Directorate of Social Services is reporting a projected revenue budget underspend for the 2014/15 financial year and it is proposed that the funding requirement of £237k in the table above could be met through a Revenue Contribution to Capital Outlay (RCCO). Cabinet is asked to consider and endorse this proposal.
- 4.7 Bid reference number 5 in appendix 1 relates to a proposal to replace a number of low pressure sodium lanterns in street lights in residential areas. Cabinet will be aware that a range of options is currently being considered in relation to street lighting to support Medium-Term Financial Plan (MTFP) savings requirements. It is therefore recommended that until firm plans have been agreed for this service area the bid for £275k should not be supported.
- 4.8 Bid reference number 3 totals £150k and relates to drainage works at Coed Top closed landfill site. The works will not result in a revenue budget saving but will avoid an increase in monthly sewer discharge costs due to charges switching from estimated bills to meter readings from April 2014 (increase of circa £19k per month). There is no budget available within Public Protection to repay this investment so the bid cannot be approved on an Invest to Save basis. However, the works will avoid the need for budgetary growth and it is therefore recommended that the investment be approved and funded from projected 2014/15 revenue budget underspends within Miscellaneous Finance.
- 4.9 Bid reference number 6 relates to demolition works at Park Lane in Caerphilly. The total estimated cost is £215k, of which £93k can be met from the Urban Renewal budget. This leaves a balance of £122k. By carrying out these works costs of circa £45k to £50k per annum can be avoided (NNDR/insurance/security inspections etc.). The demolition will also provide a cleared site that will benefit future disposal and generate a capital receipt. There is no budget available within Corporate Property to repay under Invest to Save so it is recommended that this bid should also be funded from projected 2014/15 revenue budget underspends within Miscellaneous Finance.
- 4.10 Bid reference number 11 totals £60k and relates to the refurbishment of toilets and conference facilities in the Visitor Centre at Llancaiach Fawr. Cabinet will be aware that major improvement works are currently being undertaken at the Manor House and that Llancaiach Fawr will be hosting the Urdd Eisteddfod in May 2015. The Council's Capital Programme for 2016/17 includes £50k for Llancaiach Fawr and it is recommended that this be brought forward to 2014/15 to undertake the works to the toilets and conference facilities. The balance of £10k will be funded in-year from existing revenue budgets within Regeneration, Planning & Economic Development.
- 4.11 The remaining bids (reference numbers 1, 2, 4, 12 and 13) total £680,905 and are suitable for funding on a repayable Invest to Save basis.

5. EQUALITIES IMPLICATIONS

5.1 There are no equalities implications arising from this report.

6. FINANCIAL IMPLICATIONS

6.1 As identified throughout the report.

7. PERSONNEL IMPLICATIONS

7.1 There are no direct personnel implications arising from this report.

8. CONSULTATIONS

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

9. RECOMMENDATION

9.1 Cabinet is asked to: -

9.2 Approve a Revenue Contribution to Capital Outlay (RCCO) from anticipated 2014/15 underspends in the Social Services revenue budget to fund the proposed investments of £237k outlined in paragraph 4.5 of the report.

9.3 Endorse the recommendation not to support the bid of £275k in relation to street lighting due to options currently being considered as part of the Medium-Term Financial Plan.

9.4 Agree that the bids for Coed Top closed landfill site (£150k) and Park Lane demolition works (£122k) should be funded from 2014/15 projected underspends within Miscellaneous Finance.

9.5 Agree that £50k funding in the Capital Programme for 2016/17 is brought forward to 2014/15 to fund the refurbishment of the toilets and conference facilities in Llancaiach Fawr, with the balance of £10k being met from revenue budgets.

9.6 Agree that the remaining bids totalling £680,905 should be approved for funding on a repayable Invest to Save basis.

9.7 Agree that with the exception of the Islwyn Bowls Club at 7 years, the other approved Invest to Save bids should be repaid over a period of 5 years.

9.8 Agree that the difference between Invest to Save repayments and savings generated should be set-aside to support the MTFP.

10. REASONS FOR THE RECOMMENDATIONS

10.1 To ensure the prudent use of resources to generate revenue savings or avoid the need for budgetary growth.

11. STATUTORY POWER

11.1 Local Government Acts 1972 and 2000.

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Consultees: Corporate Management Team
Capital Strategy Group
Cllr Barbara Jones, Deputy Leader and Cabinet Member for Corporate Services
Gail Williams, Monitoring Officer

Appendices: Appendix 1 – List of Invest to Save Bids

Background Papers: -

Council 26/02/14 - Budget proposals 2014/15 and medium term financial strategy 2014/2017

Cabinet (1st October 2014)

APPENDIX

Invest to Save Bids

Total Funding Available = £792,470

Ref No	Brief Description of Proposal	Proposer	Investment Required (£)	Annual Saving (£)	Payback Period (Years)	Additional Narrative to Support Proposal	Benefits Realised
1	Caerphilly Leisure Centre - Upgrading of Equipment in Fitness Suite.	Mark S Williams	120,000	34,200	3.5	Caerphilly Leisure Centre is currently the busiest fitness facility within the leisure portfolio. The facility services 600 direct debit members with a total membership base of almost 800. Income from the fitness suite accounts for 40% of the site's total income. There are currently 52 items of fitness equipment that were purchased in 2008 that due to the levels of usage have become unreliable resulting in expensive repairs and poor customer service. The ongoing maintenance and servicing of this equipment to keep it safe and useable is significant. Feedback from customers is that they are finding the equipment in Caerphilly old and unreliable. New equipment will help in the sale of memberships and also aid in the retention of members, as customers perceive they are being 'looked after'.	The fitness suite currently generates annual income of £330k. It is essential that the equipment is upgraded to maintain the existing customer base and attract new clients. There are further benefits to this investment through a proposal to create a fitness suite at Sue Noakes Leisure Centre in partnership with Lewis Girls School and enhance the Fitness Suites at both St Cenydd & Risca Leisure Centres, again protecting valuable income streams and ensuring that the customer experience is not compromised. The creation of the Fitness Suite at Sue Noakes will generate additional income of circa £16k per annum. The upgraded equipment will also Invest to Save repayments will be met through increased income.
2	Public Sector Broadband Aggregation for CCTV.	Rob Hartshorn	195,508	53,138	3.7	This proposal is to cancel current BT circuits in six towns (Bargoed, Blackwood, Caerphilly, Newbridge, Risca, Ystrad Mynach) and provide a microwave link from the cameras in each town back to a suitable PSBA facility.	To link the cameras back to a common network collection point (PSBA) at the library in each town a microwave network would need to be provided. By installing a microwave network at each camera site a BT Redcare circuit is no longer necessary. An initial investment of £196k would be required to upgrade cameras and pay for PSBA implementation costs. However, savings of £53k per annum would be generated through reduced line rental costs.
3	Coed Top Closed Landfill Site - Drainage Works.	Rob Hartshorn	150,000	Cost Avoidance	Cost Avoidance	The Authority currently pays Welsh Water for discharge to the sewer. From the 1st April 2014 charges switched from estimated bills to meter readings. It is anticipated that average monthly bills for sewer discharge will increase to £20k from the current level of £1k. A scheme of drainage works is proposed that will divert a significant proportion of the discharge into a watercourse.	The estimated costs of the drainage works is £150k but it is anticipated that this will significantly reduce the £20k per month payable to Welsh Water.
4	Islwyn Bowls Club - Photovoltaic (PV) Solar Scheme.	Colin Jones	45,397	6,404	7.1	This proposal is to install approximately 120 PV panels on the roof of Islwyn Indoor Bowls Centre at a cost of £45,397. Islwyn Indoor Bowls has asked for assistance from the Authority to bring their running costs down to assist in ensuring their future. The proposal will assist the Centre in bringing down their costs but the Authority will receive greater benefit itself through resale of electricity to the Centre and through FITS and Export tariff. There is a payback rate associated with the investment of just over 7 years. Fit returns are guaranteed by government for a 20 year period.	For the purpose of the payback calculation a 7p/kw recharge rate for the Centre has been used. The cost of the PV scheme taken from an informal quote received by Solartech was valued at £45,397. The annual return is £6,404 for the Authority. Therefore £45,397/£6,404 gives a simple payback period of just over 7 years. This excludes the financial benefit the Centre receives. After year 7 and through to year 20 the Authority will be in clear profit. If all rates were to stay constant the projected profit would be £83,252. In addition the Centre itself would be financially better off across the 20 year period by £23,220. Part of the profit generated will need to be kept aside for maintenance.
5	Street Lighting - Replacement of 55w Low Pressure Sodium Lanterns.	Marcus Lloyd	275,000	28,860	9.5	Caerphilly CBC has 2100 55w low pressure sodium lanterns located in residential areas which are in excess of 20 years old. This bid is to seek funding approval for the replacement of the life expired low pressure sodium lanterns with LED light sources and Central Management System. This equipment is more energy efficient, requiring less routine maintenance visits with the white light increasing the highway users perception of well-being and reducing the fear of crime. Proposals are for 1000 to be replaced with LED lanterns with a Telensa Central management system.	The energy charges associated with the street lighting network have increased by over 100% during the last 10 years and are now £1.5 million per annum. These charges are forecast to continue to rise and together with the £14 per tonne carbon charge make the implementation of modern sources of light production a priority. Replacement of the low pressure sodium lanterns with dimmable LED's will result in an annual reduction to the CCBC energy consumption of 238000 Kwh, 127 tonnes in CO2 emissions and cost savings of £28,860. If this bid is considered to be too high there are options around doing less and the savings would be pro rata. The proposed street lighting lanterns are to be equipped with state of the art light emitting diodes having a service life of 100,000 hours, equating to 22 years of all night operation before further replacement is required.
6	Demolition Works - Park Lane, Caerphilly.	John Thomas	122,000	Cost Avoidance	Cost Avoidance	Demolition of existing buildings that include the former housing office, school house and church hall etc. Total estimated cost of demolition and making good the site is £215k. Of this total £93k will be met from the Urban Renewal budget with the balance of £122k being requested from the Invest to Save Fund.	These works will reduce further financial and H&S liabilities until the site is sold. By carrying out the demolition works costs of circa £45k – £50k p.a. can be avoided through savings in NNDR/insurance/security inspections etc. The demolition will also provide a cleared site that will hopefully benefit future disposal/redevelopment.
7	Caerphilly Day Centre - Replacement of Heating System.	John Thomas	30,000	1,110	27.0	Replace existing free standing independent heating system with energy efficient combi-boiler/radiator heating system. Proposal will reduce on-going heating bills. Anticipate circa 30%+ more energy efficient. Potential for Local Authority Energy Fund (LAEF) contribution.	Increased energy efficiency will result in annual savings of £1,110.
8	Ystrad Mynach Day Centre - Boiler Replacement.	John Thomas	60,000	4,680	12.8	Main Boiler replacement. Existing aged boiler is in need of replacement with a new energy efficient boiler. Anticipate circa 25 – 30% more energy efficient. Potential for LAEF contribution. Replacement will also result in carbon savings and reduce on-going Carbon tax.	Increased energy efficiency will result in annual savings of £4,680.

Ref No	Brief Description of Proposal	Proposer	Investment Required (£)	Annual Saving (£)	Payback Period (Years)	Additional Narrative to Support Proposal	Benefits Realised
9	Brooklands Day Centre - Boiler Replacement.	John Thomas	80,000	6,400	12.5	Main Boiler replacement. Existing aged boiler is in need of replacement with a new energy efficient boiler. Anticipate circa 25 – 30% more energy efficient. Potential for LAEF contribution. Replacement will also result in carbon savings and reduce on-going carbon tax.	Increased energy efficiency will result in annual savings of £6,400.
10	Integrated Transport Unit - Purchase of Replacement Specially Adapted Vehicle for Social Services.	Huw Morgan	67,000	2,500	26.8	A fleet of 16 minibuses is used to transport clients to day centres and activities throughout the county borough. The average age of the fleet is over 9 years old and incurs high maintenance costs and frequent breakdowns as a result (the oldest minibus is 13 years old). The average age of the Authority's fleet overall is just over 3 years. Social Services funded the purchase of one nearly new accessible vehicle from its revenue budget in 2013/14. Furthermore, Cabinet has approved the purchase of 3 brand new vehicles to be funded from Social Services reserves and these are currently being procured. This proposal is to purchase a further new vehicle at a cost of £67,000.	The investment in 1 new minibus will result in reduced maintenance and repair costs. The current average spend per minibus on repairs and maintenance is around £6000 per annum. It is estimated that the annual repair and maintenance of a new minibus will be around £3000 - £4000. With the extended warranty available it is anticipated that a saving of £10000 to £15000 will be realised over a 5 year period. In addition, one-off income of £5,000 is estimated from the sale of an existing minibus.
11	Llancaiach Fawr - Refurbishment of Toilets and Conference Facilities in the Visitor Centre.	Ian MacVicar	60,000	12,000	5.0	Improvements to the toilets and lighting in the Visitor Centre will cost circa £90,000 of which £30,000 can be funded from the DDA budget in 2014/15. The works required include the refurbishment of two sets of male toilets, two sets of female toilets and 2 accessible toilets, one of which needs to be brought up to building regulation standards. In addition to the refurbishment of the toilets, the lighting in the retail area needs significant improvement. The retail offer has been transformed and improved over the last couple of years and is now an integral part of the revenue stream. The existing facilities are of an exceedingly poor quality and not compatible with the conference and wedding business that Llancaiach Fawr is targeting and which is vital to increasing revenue and visitor numbers. The improvements will help ensure the long-term viability of the business. The existing facilities are neither compliant with modern building regulations or DDA requirements and need to be upgraded to meet Legionella regulations.	The Manor House is undergoing a high profile £1m building conservation improvement project in 2014. Improving the visitor facilities at the same time will enhance the improvements to the site and ensure that the public image of this prestigious venue is improved. In addition, Llancaiach Fawr will be hosting the Principality's Urdd Eisteddfod in May 2015 and the improvements are required in view of this national event with over 100,000 visitors expected and the associated national publicity. £50,000 has been identified in the Council's Capital Programme for refurbishment works in 2016/17. However, this will be too late to assist in developing the wedding and conference market and to benefit the Urdd Eisteddfod planned for 2015. The Invest to Save repayments will be funded through increased wedding and conference income and additional retail sales.
12	Purchase of Velocity Patcher	Marcus Lloyd	250,000	250,000	1.0	Velocity patching is a non-conventional method of highway repair with high output yield, anywhere between 50-500sq.m can be achieved in a single day. In addition, this is a single man operation with obvious cost efficiency savings, plus the reduced health and safety risk as the operator remains within the vehicle whilst carrying out duties.	This equipment has significant proven benefits of implementing non-intrusive highway repairs that prolong a carriageways surface by reducing water ingress and the effects of our harsh climatic changes. The proposed investment generates significant revenue savings, which will support the Authority's MTFP.
13	Emporium Car Park, Bargoed - Roof Repairs	Clive Campbell	70,000	20,000	3.5	The Emporium Car Park is located on the roof of No 41 High Street, Bargoed. No 41 High Street is currently trading as a Snooker Hall. The Snooker Hall is owned and run by the owner of the building, which includes the car park area located on the roof. This roof space is leased to the Local Authority for a nominal charge of £1 per annum for a lease period of 999 years from the 8th September 1986. The lease determines that the Council must pay for any roof repairs as part of their lease agreement. The Emporium Car park has been closed for 18 months due to the need to carry out repairs to the roof. The repairs are not covered by our insurance as they are deemed to be maintenance and not structural failure. The annual potential income of this parking area, which has the capacity to add an additional 20 parking spaces, is being lost to the Authority as it is currently unavailable for car parking. At full capacity the area would generate circa an additional £20k income per annum.	The £70k funding is required to undertake full and permanent repairs to the roof. This investment could be recovered over 3 to 4 years if the re-opened car park realised the anticipated £20k income per annum. There is a lower cost option at £35k but this does not give the same whole life cost benefits and further maintenance would be likely within 4 to 6 years (compared with a lifetime expectancy of at least 10 to 12 years with the more expensive option). Doing nothing results in ongoing risk to the Authority. Under the current and binding lease the Council has a duty to effect the repairs to make sure that the Snooker Hall and its contents are not damaged. The delay in carrying out the repairs will result in more extensive repairs being required at a later date.
			1,524,905				



CABINET – 1ST OCTOBER 2014

SUBJECT: IMPROVING GOVERNANCE PROGRAMME UPDATE

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151 OFFICER

1. PURPOSE OF REPORT

- 1.1 To inform the Cabinet of progress against the action plan resulting from the Wales Audit Office (WAO) Public Interest Report on the Chief Officers Pay published in March 2013, along with the wider Improving Governance Programme including the action plans resulting from the WAO Public Interest Report on Chief Officers Essential Car Users and Annual Leave Allowance published in December 2013 and the Special Inspection Report published in January 2014 as presented to and approved by Council on 28th January 2014 and Cabinet on 19th February 2014.
- 1.2 To seek approval to hand-over the monitoring of outstanding recommendations and actions from the Improving Government Programme Board (IGPB) to other groups or Committees and, as a consequence of the very recent notification by WAO of a Corporate Governance Inspection (CGI) follow up, approval that the IGPB is maintained for a limited period to ensure that the follow-up CGI is effectively co-ordinated.

2. SUMMARY

- 2.1 Following on from the latest report presented to Cabinet on 18th June 2014, this report provides an end of tranche review on the progress of the Improving Governance Programme and a proposal to handover the limited number of outstanding recommendations/actions to other groups or Committees and maintain the IGPB for further limited time to ensure that the follow up CGI is effectively co-ordinated. This will return corporate governance to a business as usual basis as the Authority continues to ensure that the principles and practices are embedded into the culture of the organisation.

3. LINKS TO STRATEGY

- 3.1 Good governance is a pre-requisite of the activities of any Local Authority. Increasingly, the requirement to not only exhibit good governance but to demonstrate a robust system for self-evaluation will present a far greater challenge.

4. THE REPORT

- 4.1 Following on from the latest report presented to Cabinet on 18th June 2014, this report provides an end of tranche review on the progress of the Improving Governance Programme together with a proposal to close the named programme as such in favour of the monitoring of the small number of outstanding recommendations/actions by other established groups or Committees, subject to the retention of the IGPB for a short further period for the reasons set out in paragraph 4.9 of the Report.

- 4.2 Following on from previous reports to Cabinet and to full Council (ref. Background Papers), Members will be familiar with the WAO documents and relevant action plans and work-streams included in the programme, which are:
- (a) the WAO Public Interest Report March 2013 on Chief Officers Pay with 5 main recommendations and relevant Action Plan, the 5 key areas being
 - Advertisement of meetings
 - Conflicts of interest
 - Procedures for new Committees
 - Records of meetings
 - Clarity and comprehensiveness of Reports to Committees
 - (b) additional areas identified by the authority, the Wider Improving Governance Programme, with 5 work-streams
 - § Electronic Council
 - § Risk Management
 - § Performance Management and Self-evaluation
 - § Scrutiny
 - § Outstanding WAO Governance Improvements
 - (c) the WAO Public Interest Report December 2013 on Chief Officers Essential Car User and Annual Leave Allowances with 4 main recommendations and relevant Action Plan, the 4 key areas being
 - § Records of Decisions
 - § Implementing Decisions
 - § Statutory Officer Advice
 - § Reports
 - (d) the WAO Special Inspection January 2014 with 8 main recommendations and relevant Action Plan, the 8 key areas being
 - § Governance and Decision Making Roles
 - § Decision Making Documentation
 - § Improving Governance Board work continuation
 - § Strengthening of Risk Management Processes
 - § Whistle-blowing procedures roles and responsibilities
 - § Reassessing expectations of Internal Audit and a programme to address findings of the inspection
 - § Actions identified to improve the HR function and workforce planning
 - § Importance of following appropriate procurement procedures and key procurement performance indicators
- 4.3 The Improving Governance Programme Board has assessed the progress in respect of each recommendation and work-stream. The result of the assessment is detailed in the two tables provided in the Appendices.
- 4.3.1 **Appendix 1** details the Outstanding Recommendations and Actions as of 22/09/2014 alongside a proposal for the monitoring arrangements for each one. This will ensure proper monitoring and reduced duplication of effort as well as an efficient use of resources.
- 4.3.2 **Appendix 2** shows the Completed Actions and addressed recommendations as of 22/09/2014.

4.4 The situation in relation to the progress has been summarised in the *Table 1* below and appropriate comments to the figures are provided in the ensuing paragraphs.

Table 1 – Improving Governance Programme End of Tranche Overview

Document	No. of recommendations or work-streams	No. of recommendations addressed	No. of recommendations or work-streams where over 75% complete
WAO PIR March 2013 “Chief Officers Pay”	5	3	2
Wider Improving Governance Programme	5 (*)	1	4 (*)
WAO PIR Dec. 2013 “Chief Off. Essential Car Users and Annual Leave Allowance”	4	4	0
WAO Special Inspection	8	4	4
Total	22	12	10

Note to table

(*) HR work-stream not included because recommendation already counted in WAO Special Inspection

- 4.5 In respect of the **WAO PIR dated March 2013**, three recommendations have been fully addressed while two recommendations have one outstanding action each. These recommendations are:
- § the “Records of Meetings” recommendation, in relation to the electronic voting system, and
 - § the “Clarity and comprehensiveness of reports to committees” recommendation, in relation to the review of the reporting template.
- Both actions, i.e. implementation of the electronic voting system and review of the reporting template, are close to completion and expected to be implemented by December 2014 and January 2015 respectively.
- 4.6 In relation to the **Wider Improving Governance Programme**, due to the natural longer duration and intrinsic complexity involved in some of the actions, four of the initial five work-streams are still in progress but due for completion by the end of this year or in early 2015. These work-streams are:
- § “Electronic Council”, still outstanding in relation to webcasting implementation, replacement of committee documents management system and relevant updates of intranet and website, expected to be completed January 2015
 - § “Performance Management and Self-evaluation”, in relation to self-evaluation service reviews, self-evaluation annual cycle and performance management framework (including reporting cycle, report design and links to SE and SIP), expected to be completed after the establishment of the new Interim Chief Executive
 - § “Scrutiny” in relation to scrutiny development and organisation and performance management, expected to be completed December 2014
 - § “Outstanding WAO Governance Improvements” in relation to Partnership and Collaboration Strategy and Toolkit, and Business Continuity Action Plan, expected to be completed respectively mid October 2014 and by the end of this year
- 4.7 In relation to the **WAO PIR dated Dec. 2013** all four recommendations have been addressed.

- 4.8 In relation to the **WAO Special Inspection report dated January 2014**, 4 of the original eight recommendations have been fully addressed while 4, though considerably advanced in their advancement, are to be considered still in progress. These recommendations are:
- § Work of the Improving Governance Programme, which is subject of the update and recommendation included in this report which if approved would practically complete it
 - § Strengthening of Risk Management Processes, in relation to the building of “risk management monitoring” into the Scrutiny Forward Programme, and the establishment of a Risk Management Group, expected to have been completed by the time this report is considered
 - § Whistle-blowing procedures roles and responsibilities, expected to be completed after the conclusion of the consultations with the Trade Unions and following the draft to be presented to Cabinet and Council for adoption.
 - § Actions identified to improve the HR function and workforce planning, in relation to HR Strategy and plan, and Workforce Planning, expected to be completed by the end of the year
- 4.9 Based on the assessment above, it is the opinion of the Improving Governance Programme Board Officers that the named programme has served its purpose of successfully driving the Council’s action plan to improve its governance arrangements and ensuring that the momentum to deliver the action plan was maintained in 2014. It is also the opinion of the Board that in the interest of an efficient and effective way of working, and in an effort not to duplicate monitoring, the outstanding actions should be handed over to more appropriate monitoring bodies as detailed in Appendix 1.
- 4.10 The Programme Board therefore seeks approval from Cabinet Members to proceed with the above mentioned hand-over in respect of the remaining outstanding actions, but as a consequence of the very recent notification by WAO of a CGI follow up that the IGPB remains in place for 3-4 months to ensure that the Authority can respond to all the requirements in respect of that inspection.

5. EQUALITIES IMPLICATIONS

- 5.1 The principles of good governance are directly linked to the Council’s Strategic Equality Objectives, stemming from duties under the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 and the Welsh Language (Wales) Measure 2011. Equalities Implications are a standard part of all committee reports in order to ensure that due consideration has been given to the views of individuals and groups from the communities of Caerphilly county borough, regardless of their backgrounds and circumstances.

6. FINANCIAL IMPLICATIONS

- 6.1 Apart from a previous provision to set aside £50K to fund additional costs in respect of delivery of the Action Plan and Corporate Governance, agreed by Cabinet on 23rd July 2013, there are no financial implications in respect of this report.

7. PERSONNEL IMPLICATIONS

- 7.1 None going forward.

8. CONSULTATIONS

- 8.1 All comments received are contained within the report.

9. RECOMMENDATIONS

- 9.1 To note progress against the action plan resulting from the WAO Public Interest Report on the Chief Officers Pay published in March 2013, along with the wider Improving Governance Programme including the action plans resulting from the WAO Public Interest Report on Chief Officers Essential Car Users and Annual Leave Allowance published in December 2013 and the Special Inspection Report published in January 2014 as presented to and approved by Council on 28th January 2014 and Cabinet on 19th February 2014.
- 9.2 To approve the handing over of the monitoring of outstanding recommendations and actions to other suitable monitoring bodies as detailed in Appendix 1 but maintain the IGPB to ensure that the follow up CGI is effectively coordinated.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To ensure Cabinet is updated on the progress of the WAO Public Interest Report Action Plan and the wider Improving Governance Plan as updated to incorporate the additional recommendations and action plans approved by Council on 28th January 2014.
- 10.2 To ensure no duplication of effort in the longer term monitoring of outstanding recommendations, actions and business as usual resulting from the work of the Improving Governance Programme

11. STATUTORY POWER

- 11.1 Local Government Act 2000

Author: Nicole Scammell, Acting Director of Corporate Services and S. 151 Officer
Consultees: Cllr Christine Forehead, Cabinet Member for HR and Governance / Business Manager
Corporate Management Team
Improving Governance Programme Board:

- Nicole Scammell, Acting Director of Corporate Services and S. 151 Officer
- Cllr Christine Forehead, Cabinet Member for HR and Governance / Business Manager
- Gill Lewis, Seconded ABHB
- Colin Jones, Head of Performance and Property Services
- Gail Williams, Interim Monitoring Officer
- Gareth Hardacre, Head of People Management and Development
- Lisa Lane, Solicitor
- Alessandra Veronese, Programme Manager

Background Papers:

- Programme Working Documents
- Report to Cabinet on 13th November 2013 - *Improving Governance Programme Update*
- Report to Cabinet on 16th October 2013 - *Improving Governance Programme Update*
- Report to Cabinet on 18th September 2013 - *Improving Governance Action Plan*
- Report to Cabinet on 11th December 2013 - *Improving Governance Action Plan*
- Report to Cabinet on 2nd October 2013 – *Risk Management Strategy and Guidance*
- Report to Council on 8th October 2013 – *Scrutiny Improvement Action Plan*
- Report to Cabinet on 30th October 2013 – *Corporate Planning and Performance Framework*
- Report to Council on 29th January 2014 - *Wales Audit Office Report – Public Interest Report on Chief Officers Essential Car User and Annual Leave Allowances*
- Report to Council on 29th January 2014 - *Wales Audit Office Report – Special Inspection Caerphilly County Borough Council*

- Report presented to the Scrutiny Leadership Group on 30th January 2014 - *Scrutiny Improvement Action Plan – Update*
- Report to Cabinet on 19th February 2014 - *Improving Governance Programme Update*
- Report to Cabinet on 5th March 2014 – *Corporate planning – self-evaluation*
- Report to Audit Committee on 5th March – *CCBC Partnerships and Collaborations*
- Report to Audit Committee on 5th March – *Business Continuity Management*
- Report to Audit Committee on 5th March – *Internal Audit Services Annual Audit Plan*
- Report to Cabinet on 2nd April 2014 - *Improving Governance Programme Update*
- Report to Cabinet on 18th June 2014 - *Improving Governance Programme Update*

Appendices:

Appendix 1 – IGP End of Tranche - Outstanding Actions as of 22/08/2015

Appendix 2 – IGP End of Tranche - Completed Actions as of 22/08/2014

Improving Governance Programme – End of tranche – Outstanding actions as of 22/09/2014

Item No.	Document	Original Recommendation / Improvement	Outstanding actions as of 22/08/2014 and SRO	Status	Proposed handover to monitoring body
1	WAO PIR March 2013 "Chief Officers Pay"	Records of meetings R4 Records of meetings should be sufficiently detailed to provide information on the matters discussed. Any redactions should be the minimum necessary to address any exempt items. For sensitive matters, the record of a meeting should include a summary of any vote taken or state whether or not the vote was unanimous, so that members can agree with the accuracy of the minutes prior to their approval.	§ The electronic voting system available in the Council Chamber must be used for all council meetings held in the Council Chamber SRO: Interim Head of Democratic Services	In progress. The implementation is concluding. The system is expected to be live at the same time of Webcasting January 2015.	There will be no monitoring body; it will be business as usual. If there is no implementation by Jan. 2015, the matter will be reported to CMT with update to Democratic Services Committee as necessary
2	WAO PIR March 2013 "Chief Officers Pay"	Clarity and comprehensiveness of reports to committees R5 Where review work is undertaken, either by an external body or internally, to support a report to a committee or other decision-making body, then the covering report should explicitly address the matters raised as part of the review work.	§ Review the reporting template and consistency of reporting and format to include an executive summary and key decisions. SRO: Interim Chief Executive	On hold. The former Interim C Exec has determined not to review the reporting template or format at this stage. This could be reviewed after actions relevant to officers report training is addressed. CMT reviewing the quality of the reports and decision process, decision in early 2015 after sampling in October-December 2014.	CMT to receive a report from Interim Monitoring Officer in January 2015
3	Wider Improving Governance Programme	Electronic Council Further improve transparency and efficiency by introducing Webcasting of Council Meetings and Committee Documents and Workflow system (with website and intranet updated and re-organised accordingly)	§ Webcasting the council meetings following the implementation of the relevant infrastructure. § Replace the current system to manage and publish the committee documents integrated with the corporate website and intranet with a more efficient one. § Following the introduction of electronic voting, webcasting and the new committee documents management system the website and intranet will have the relevant new content embedded and some content optimised/re-organised. SRO: Interim Head of Democratic Services	In progress. The implementation of the webcasting infrastructure is concluding. The system is expected to be live at the same time of electronic voting in January 2015. The implementation of the Committee Documents Management System (Mod.gov) and relevant integrated functionalities on the website and intranet is concluding. The system is expected to be live at the same time of the re-designed corporate website in October 2014.	If Electronic Voting is not implemented it will be reported to CMT with update to Democratic Services Committee. If Mod.gov. is not implemented then it will be reported to CMT.

Item No.	Document	Original Recommendation / Improvement	Outstanding actions as of 22/08/2014 and SRO	Status	Proposed handover to monitoring body
4	Wider Improving Governance Programme	Performance Management and Self-evaluation Review, improve and further embed the current performance management and self-evaluation practices	<ul style="list-style-type: none"> § Self-evaluation service reviews, annual cycle and links § Performance management framework, reporting cycle, report redesign and links to SE, SIP cycle and links with SE <p>SRO: Head of Performance and Property Services</p>	<p>In progress.</p> <ul style="list-style-type: none"> § Self-evaluation - Drafted report to CMT for review of the submissions. CMT to determine how to progress with internal challenge after the establishment of the new Interim Chief Executive § Performance Management framework – proposals to follow the establishment of new Interim Chief Executive 	CMT
5	Wider Improving Governance Programme	Scrutiny Review, improve and further strengthen the current scrutiny arrangements	<ul style="list-style-type: none"> § Scrutiny Development and Organisation § Performance Management <p>SRO: Interim Head of Democratic Services</p>	<p>In progress.</p> <p>The next update report is expected to be presented to Scrutiny Leadership Group in December 2014 after review by Centre for Public Scrutiny</p>	Scrutiny Leadership Group / Democratic Services Committee. Council (as necessary) in terms of further updates
6	Wider Improving Governance Programme	Outstanding WAO Governance Improvements P1 Improving how the Council monitors and evaluates the effectiveness of partnerships to ensure they are contributing to delivery of corporate priorities P2 Ensure there are robust and effective governance arrangements in place when creating integrated services and collaborations that are subject to regular evaluation of their impact. P3 The Council does not have a (Corporate) Business Continuity Plan	<ul style="list-style-type: none"> § Partnership and Collaboration (governance, effectiveness and evaluation) Strategy and Toolkit <p>SRO: Acting Director of Corporate Services and S.151 Officer</p> <ul style="list-style-type: none"> § Business Continuity Action Plan <p>SRO: Head of Public Protection</p>	<p>In progress.</p> <ul style="list-style-type: none"> § Proposed Collaboration and Partnership Protocol with action plan for delivery, and the proposed Partnership Governance Toolkit for referral being presented to Policy and Resources Scrutiny Committee on 30/9/14 and to Cabinet on 15/10/14 for decision. § A report to update on the Business Continuity Action Plan being presented to Audit Committee on 10/09/2014 	Corporate Governance Review Panel and Audit Committee

Item No.	Document	Original Recommendation / Improvement	Outstanding actions as of 22/08/2014 and SRO	Status	Proposed handover to monitoring body
7	WAO Special Inspection	R3 Continues to implement the Improving Governance Programme Board action plan to enhance governance arrangements for the future.	<ul style="list-style-type: none"> § The IGP Board continues to meet until work streams are completed. § Current arrangements to continue in respect of reporting to CMT and Cabinet <p>SRO: Acting Director of Corporate Services and S.151 Officer</p>	<p>In progress.</p> <p>The Programme Board intends to present a report to Cabinet to seek approval to handover the limited outstanding actions to appropriate monitoring bodies.</p> <p>Report to be presented on 1/10/2014</p>	As set out in this Programme Document.
8	WAO Special Inspection	<p>R4 Strengthens its risk management processes further to embed risk management across the Council. Specifically there should be:</p> <ul style="list-style-type: none"> <input type="checkbox"/> more frequent review of the corporate risk register by Corporate Management Team; <input type="checkbox"/> explicit action planning for the key risks identified; <input type="checkbox"/> more oversight of, and consistency in, approach to directorate risk registers; <input type="checkbox"/> clarification of the role and remit of the Risk Management Group; and <input type="checkbox"/> enhanced training for Audit Committee members. 	<ul style="list-style-type: none"> § Build "Risk Management Monitoring" into Scrutiny Forward Work Programme § Risk Management Group - Develop and agree Terms of Reference including membership, present proposals to CMT, establish group and arrange initial meeting, report progress to Audit Committee <p>SRO: Head of Performance and Property Services</p>	<p>In progress.</p> <ul style="list-style-type: none"> § Confirmation from Directors that Risk Management Monitoring is included in their respective scrutiny FWP to be requested § Re: Risk Management Group, proposal to Audit Committee on 10/09/2014 not to establish this Group given the extent of alternative and comprehensive risk management arrangements 	Audit Committee

Item No.	Document	Original Recommendation / Improvement	Outstanding actions as of 22/08/2014 and SRO	Status	Proposed handover to monitoring body
9	WAO Special Inspection	R5 Clarifies roles and responsibilities for whistle-blowing procedures and ensures that the new policy is updated to reflect recent legislative changes.	<p>Following a report to Audit Committee on 6 November 2013, requesting views on the new Confidential Reporting (Whistleblowing) Code, it was highlighted by WAO after the meeting that there were some concerns in respect of references to legislation within the code.</p> <p>As this "new" code is destined to be adopted consistently across Wales, these issues have been formally referred to the Lawyers in the Local Government Monitoring Officer Group who worked with the WLGA and external Lawyers to develop the All Wales Framework Constitution document. It is anticipated that these matters will be resolved collectively for all Welsh Authorities in readiness for the AGM in May 2014.</p> <p>SRO: Head of People Management and Development</p>	<p>In progress.</p> <p>Following the revised drafting of the new corporate policy based on the Public Concern at Work Model Policy and Code of Practice, a revised draft has been reported to Audit Committee and HR Strategy Group. We are in consultation with the Councils Trades Unions, which are nearing completion. Once the consultation is concluded and a draft policy is finalised, this will be brought forward for adoption by Cabinet / Council (as it forms part of the Council Constitution). P&R will be consulted as part of the pre decision making scrutiny process.</p>	<p>Standards Committee/Audit Committee, to be covered off in the Report to Council in relation to implementation of the new policy.</p>
10	WAO Special Inspection	R7 Ensures that the actions, identified to improve the HR function and workforce planning, are implemented.	<p>§ HR Strategy and Plan</p> <p>§ Workforce planning</p> <p>SRO: Head of People Management and Development</p>	<p>In progress.</p> <p>§ HR Strategy and Plan – Draft Plan under development for consultation with HR Strategy Group in September.</p> <p>§ Workforce Planning – Toolkit developed and being piloted in 4 separate areas for evaluation. High level document drafted for use with next year Service Delivery Plans.</p>	<p>P & R Scrutiny Committee & WAO Local Review.</p>

Improving Governance Programme – End of tranche – Completed actions as of 22/09/2014

Document	Original Recommendation / Improvement	Completed Actions	Status
WAO PIR March 2013 "Chief Officers Pay"	<p>Advertisement of meetings</p> <p>R1 The Council should review its procedures for the advertisement of meetings. Controls should be introduced to mitigate against the risk of omissions. As an example, adverts could be reviewed by an officer independent of the officer preparing them in order that any omissions can be identified.</p>	<ul style="list-style-type: none"> § Procedure to publish re-arranged / ad-hoc meetings in addendum document § Procedure for approval and publishing of weekly notice of future meetings § System to ensure all council meetings are advertised <p>SRO: Interim Head of Legal Services and Monitoring Officer</p>	Recommendation addressed
WAO PIR March 2013 "Chief Officers Pay"	<p>Conflicts of interest</p> <p>R2 Clear guidelines should be produced and incorporated into the terms of reference of all decision-making forums in the Council in respect of the procedures to be followed when members, or those in attendance at such forums, may be influenced by a pecuniary or personal interest in the outcome of any decision to be taken. In particular, they should emphasise that such individuals are disqualified from participation in that process and that:</p> <ul style="list-style-type: none"> <input type="checkbox"/> they should declare an interest in the matter; <input type="checkbox"/> they should leave the meeting during any discussion of the matter; and <input type="checkbox"/> they should not have sole responsibility for making recommendations in relation to the matter, whether present or not. 	<ul style="list-style-type: none"> § Code of conduct training for all Members § Requirement for Code of Conduct training for Members following elections § Increased frequency of publication of Members' declarations of interest § Review of the process to agree officers obligations under Code of Conduct § Review of the process for declaring interests of a personal/prejudicial nature for both members and officers § Full training programme on the Officer Code of Conduct § Review of the system for Gifts and Hospitality § The register of Gifts and Hospitality to be reported on a quarterly basis to Audit Committee § Guidelines on the procedure for managing conflicts of interest be included in each committee's terms of Reference <p>SRO: Interim Head of Legal Services and Monitoring Officer</p>	Recommendation addressed
WAO PIR March 2013 "Chief Officers Pay"	<p>Procedures for new committees</p> <p>R3 Where new committees or other decision-making bodies are set up by the Council, there should be clear terms of reference setting out the powers, responsibilities and procedures of the body. These should be formally adopted by the committee at its first meeting. Training should also be provided to members in respect of the requirements of the committee prior to its inaugural meeting to ensure that the terms of reference are understood.</p>	<ul style="list-style-type: none"> § Review of the constitution and inclusion of list of council committees and its details (ToR, delegated decision making, political balance requirement, sixe and co-optee members arrangements) § Terms of Reference agreed at the first meeting § Review of the Terms of Reference by Monitoring Officer for each committee/panel/group on a regular basis and updated at the AGM § Members Training Needs practice strengthened § Training and development needs identified for the membership of each committee/panel/group, training offered and attendance published § Procedure for Member Induction Training needs identified and delivered prior to the first meeting of any new council committee/panel/group <p>SRO: Interim Head of Legal Services and Monitoring Officer</p>	Recommendation addressed

Document	Original Recommendation / Improvement	Completed Actions	Status
WAO PIR March 2013 "Chief Officers Pay"	<p>Records of meetings</p> <p>R4 Records of meetings should be sufficiently detailed to provide information on the matters discussed. Any redactions should be the minimum necessary to address any exempt items. For sensitive matters, the record of a meeting should include a summary of any vote taken or state whether or not the vote was unanimous, so that members can agree with the accuracy of the minutes prior to their approval.</p>	<ul style="list-style-type: none"> § Forward Work Programme for Cabinet published quarterly (responsibility of Chief Executive and Monitoring Officer) § Monitoring Officer ensuring all reports in the FWP are subject to the correct decision making process § Agendas produced for all "informal" meetings of CMT and Cabinet to record issues discussed § Scrutiny Committee FWP further improved by introducing a consistent procedure for their development § Scrutiny committee FWP subject to consultation, subject to approval by each committee and published on a regular basis § Chairs of scrutiny committee meeting regularly to ensure cross-cutting issues are considered by members, good practice is shared and duplication avoided § Necessary support provided by Democratic Services in preparation of agendas, collation of reports, minuting of meetings etc. for all formal full Council and committee meetings § Minutes of meetings outside council chamber recording whether any vote passed is unanimous or by majority decision § Voting record published on website following each meeting of full council (currently within minutes) <p>SRO: Interim Head of Legal Services and Monitoring Officer</p>	One action outstanding (completion expected Jan. 2015)
WAO PIR March 2013 "Chief Officers Pay"	<p>Clarity and comprehensiveness of reports to committees</p> <p>R5 Where review work is undertaken, either by an external body or internally, to support a report to a committee or other decision-making body, then the covering report should explicitly address the matters raised as part of the review work.</p>	<ul style="list-style-type: none"> § Framework to give greater clarity over delivery of reports with different levels of significance § Both statutory officers have an opportunity to comment on reports prior to submission § Process for making members aware of key policy strengthened § Training on the level of detail required in reports § Level of late reports monitored by CMT § Scrutiny members encouraged to ask questions of both cabinet members and officers § Achieved balance between officers attending scrutiny by invitation and leaving once their session is completed and others attending the whole scrutiny meeting <p>SRO: Interim Chief Executive</p>	One action outstanding (completion expected Jan. 2015)
Wider Improving Governance Programme	<p>Electronic Council</p> <p>Further improve transparency and efficiency by introducing Webcasting of Council Meetings and Committee Documents and Workflow system (with website and intranet updated and re-organised accordingly)</p>	<p>Actions are in progress</p> <p>SRO: Interim Head of Democratic Services</p>	Three actions outstanding (completion expected Jan. 2015)
Wider Improving Governance Programme	<p>Risk Management</p> <p>Review, improve and further embed the current risk management practices</p>	<ul style="list-style-type: none"> § Strategy and Scrutiny Cycle agreed § Guidelines agreed § More frequent review of CRR by CMT - Corporate risks monitored by CMT on a monthly basis and reported to Cabinet on a 6 monthly basis. Corporate Risks monitored by Audit Committee 6 monthly. § Revision of Corporate Risk Register and introduction of formalised process for 	Work stream completed

Document	Original Recommendation / Improvement	Completed Actions	Status
		<ul style="list-style-type: none"> Directorate Risk Register and Service Risk Register – process established and embedded § Risk Management training on an ongoing basis § Links to MTFP, SIP and AGS <p>SRO: Head of Performance and Property Services</p>	
Wider Improving Governance Programme	<p>Performance Management and Self-evaluation</p> <p>Review, improve and further embed the current performance management and self-evaluation practices</p>	<ul style="list-style-type: none"> § Self-evaluation framework agreed § Self-evaluation awareness & training delivered <p>SRO: Head of Performance and Property Services</p>	Two actions outstanding
Wider Improving Governance Programme	<p>Scrutiny</p> <p>Review, improve and further strengthen the current scrutiny arrangements</p>	<ul style="list-style-type: none"> § Forward Work Programme § Training and Development for Members and officers <p>SRO: Interim Head of Democratic Services</p>	Two actions outstanding
Wider Improving Governance Programme	<p>Human Resources</p>	<ul style="list-style-type: none"> § HR Balanced Scorecard § Evaluations of posts in education <p>SRO: Head of People Management and Development</p>	See WAO Special Inspection R7 below
<p>WAO PIR December 2013</p> <p>“Chief Officers Essential Car Users and Annual Leave Allowance”</p>	<p>Records of decisions</p> <p>R1 Clear records of all decisions should be retained, identifying the decision made, who made the decision and when the decision was made. Furthermore, as decisions are taken there should be proper consideration of whether these decisions should be recorded in the Council's decision log. This consideration should be documented.</p>	<ul style="list-style-type: none"> § Produced guidance to officers, presented to CMT and approved to be cascaded and delivered to Leadership Team and Management Network <p>SRO: Interim Head of Legal Services and Monitoring Officer</p>	Recommendation addressed
<p>WAO PIR December 2013</p> <p>“Chief Officers Essential Car Users and Annual Leave Allowance”</p>	<p>Implementing decisions</p> <p>R2 Officers should not proceed to implement decisions unless they are clear as to who has made the decision. Officers should retain evidence of this consideration.</p>	<ul style="list-style-type: none"> § Produced guidance to officers, presented to CMT and approved to be cascaded and delivered to Leadership Team and Management Network <p>SRO: Interim Head of Legal Services and Monitoring Officer</p>	Recommendation addressed
<p>WAO PIR December 2013</p> <p>“Chief Officers Essential Car Users and Annual Leave Allowance”</p>	<p>Statutory officer advice</p> <p>R3 When making decisions, decision-makers should consider whether a formal view is required from the S151 Officer or Monitoring Officer and whether this view has been given. Where a formal view is required, there should be a process in place to ensure that the statutory officer is provided with all of the relevant information required to take that view. Officers should also record how this advice was followed.</p>	<ul style="list-style-type: none"> § This has been addressed in relation to formal Reports to Committee Actions 5b and 5c of the Action Plan of the Improving Governance Programme apply, which is reported to Corporate Management Team, Cabinet (11/12) and Audit Committee (6/11) on a regular basis. § In relation to officer decisions guidance produced, presented to CMT and approved to be cascaded and delivered to Leadership Team and Management Network <p>SRO: Interim Head of Legal Services and Monitoring Officer</p>	Recommendation addressed
<p>WAO PIR December 2013</p> <p>“Chief Officers Essential Car Users and Annual Leave Allowance”</p>	<p>Reports</p> <p>R4 Reports which are produced to support decision-making processes should follow a standardised format, in particular noting the author of the report and who has been consulted. Reports should contain a comprehensive list of available options.</p>	<ul style="list-style-type: none"> § Training has being organised for Management Network officers and officers reporting to them who write reports for CMT, Cabinet, Committees such as Scrutiny and Audit etc and Council, which will be completed by August 2014. (ongoing action in relation to formal Reports to Committee - see R5 of WAO PIR March 2013) § In relation to officer decisions guidance produced, presented to CMT and approved to be cascaded and delivered to Leadership Team and Management Network <p>SRO: Interim Head of Legal Services and Monitoring Officer</p>	Recommendation addressed
WAO Special Inspection	<p>R1 Clarifies, in an easily understandable format, governance and decision-making roles, specifically of the Cabinet; Chief Executive; Corporate Management Team; corporate directors; scrutiny</p>	<ul style="list-style-type: none"> § Produced guidance to Officers and Members, presented guidance to CMT and approved to be cascaded and delivered to Leadership Team and Management Network 	Recommendation addressed

Document	Original Recommendation / Improvement	Completed Actions	Status
	committees; and Audit Committee.	SRO: Interim Head of Legal Services and Monitoring Officer	
WAO Special Inspection	R2 Ensures that appropriate documentation is maintained of all decisions made, and by whom to provide further assurance that decision making is undertaken appropriately and transparently.	<p>§ Produced guidance to Officers and Members, presented guidance to CMT and approved to be cascaded and delivered to Leadership Team and Management Network</p> <p>SRO: Interim Head of Legal Services and Monitoring Officer</p>	Recommendation addressed
WAO Special Inspection	R3 Continues to implement the Improving Governance Programme Board action plan to enhance governance arrangements for the future.	<p>§ Majority of the original work-streams are completed or approaching completion.</p> <p>Outstanding Actions are subject to a report to Cabinet on 2/10/2013 to seek approval to hand-over the long term monitoring</p> <p>SRO: Acting Director of Corporate Services and S.151 Officer</p>	Proposal for long term monitoring to Cabinet on 2/10/2014
WAO Special Inspection	<p>R4 Strengthens its risk management processes further to embed risk management across the Council. Specifically there should be:</p> <ul style="list-style-type: none"> <input type="checkbox"/> more frequent review of the corporate risk register by Corporate Management Team; <input type="checkbox"/> explicit action planning for the key risks identified; <input type="checkbox"/> more oversight of, and consistency in, approach to directorate risk registers; <input type="checkbox"/> clarification of the role and remit of the Risk Management Group; and <input type="checkbox"/> enhanced training for Audit Committee members. 	<p>§ More frequent review of CRR by CMT</p> <p>§ Revision of Corporate Risk Register</p> <p>§ Introduction of formalised process for Directorate Risk Register and Service Risk Register – process established and embedded</p> <p>§ Enhanced training for audit committee - introduce Risk Management training to Scrutiny Members, delivery of Training – ongoing, review the effectiveness of in-house training before undertaking a more advanced level of training.</p> <p>§ Risk Management Group – Proposal to Audit Committee (10/9/2014) not to establish this Group given the extent of alternative and comprehensive risk management arrangements</p> <p>SRO: Head of Performance and Property Services</p>	One action outstanding
WAO Special Inspection	R5 Clarifies roles and responsibilities for whistle-blowing procedures and ensures that the new policy is updated to reflect recent legislative changes.	<p>Actions are in progress</p> <p>SRO: Head of People Management and Development</p>	In progress
WAO Special Inspection	R6 Reassesses its expectations of the Internal Audit service and puts in place a programme for its Internal Audit service to address the findings of this inspection.	<p>§ Identify best practice in Wales with WAO – A meeting took place on the 17th February, where best practice and a proposed way forward was discussed and agreed. This formed the basis for the change in direction and the revised Audit</p> <p>§ Updated Audit Plan</p> <p>§ Revised Audit Strategy</p> <p>§ Audit Plan and Revised Strategy presented to Audit Committee 10/09/2014</p> <p>SRO: Interim Head of Corporate Finance</p>	Recommendation addressed
WAO Special Inspection	R7 Ensures that the actions, identified to improve the HR function and workforce planning, are implemented.	<p>§ HR Balanced Scorecard</p> <p>§ Evaluations of posts in education</p> <p>SRO: Head of People Management and Development</p>	Two actions outstanding
WAO Special Inspection	R8 Emphasises the importance of following appropriate procurement procedures and ensures that relevant key performance indicators are set for the procurement function.	<p>§ Ensure there is a good understanding of the role of a “strategic enabling” Procurement Service</p> <p>§ Build on the recommendations of the recent WG Procurement Fitness check currently in draft format to support recommendations of WAO special inspection – Action Plan to be agreed</p> <p>§ Undertake a review of all Performance Indicators for Procurement. Introduce WG indicators for Procurement where appropriate. Undertake CIPFA benchmarking review on a yearly basis.</p>	Recommendation addressed

Document	Original Recommendation / Improvement	Completed Actions	Status
		<ul style="list-style-type: none"> § Ensure all Officers involved in procuring goods and services have the appropriate training and understanding of Standing Orders and Financial Regulations § All appropriate Procurement regulations to be available via the Authority's website and intranet § Amend Standing Orders for contracts to alleviate misinterpretation § Procurement structure review in respect of the Housing Service. Consolidation of Procurement Team to Corporate Centre <p>SRO: Acting Director of Corporate Services and S.151 Officer</p>	

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CABINET – 1ST OCTOBER 2014

SUBJECT: HOUSING SOLUTIONS: SOCIAL LETTINGS AGENCY

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151 OFFICER

1.1 The attached report was presented to the Policy and Resources Scrutiny Committee on 30th September 2014.

1.2 The views of the Scrutiny Committee will be reported to the Cabinet meeting.

Author: S. M. Kauczok, Committee Services Officer.

Appendices: Report and appendix to Policy and Resources Scrutiny Committee on 30th September 2014

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POLICY AND RESOURCES SCRUTINY COMMITTEE – 30TH SEPTEMBER 2014

SUBJECT: HOUSING SOLUTIONS: SOCIAL LETTINGS AGENCY

REPORT BY: INTERIM CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 To report on the implications associated with the changes to homelessness prevention duties and to seek Members' support in respect of the creation of a Social Lettings Agency. A Cabinet decision is required in respect of the options outlined in the report and consequently the views of Policy and Resources Scrutiny Committee are first being sought.

2. SUMMARY

- 2.1 This report considers the Housing (Wales) Bill and its implications for the Authority in respect of its responsibilities for homelessness prevention, registration and licensing of Private Sector landlords and the options available for the utilisation of some of the Authority's public and private sector empty properties.
- 2.2 In relation to the activities already in place to address the forthcoming legislation the report puts into context the pressures on the Authority to provide a safe, affordable home and proposes the widening of housing options to include a Social Lettings Agency.
- 2.3 The new legislative requirements will place pressures on the Authority when discharging its statutory homelessness duties. The report provides a local context in which the opportunities and threats to this sector are presented.
- 2.4 In relation to empty properties in the private sector the report makes reference to the report presented to the Caerphilly Homes Task Group on 13th March 2014 in which the extent of the problem together with the Authority's activities and performance in respect of any direct action with empty homes was detailed.
- 2.5 Access to affordable housing has become hampered by the reduction in housing supply and the implementation of the Welfare Reform Act for many of the residents in Caerphilly where home ownership is not an affordable option. The report also considers the impact of welfare reform and the limitations it presents for access to the private rented sector.
- 2.6 The report, in attempting to address the issues outlined above, provides Members with options as follows:
- Making Incentive payments to Letting Agents and Private Landlords.
 - Utilising the Services of an External Lettings Agency
 - Creating an In House Social Lettings Agency.

3. LINKS TO STRATEGY

3.1 In tackling homelessness we aim to improve access to suitable and affordable housing and this links to the following strategies:-

- Caerphilly Delivers, Single Integrated Plan (Prosperous Caerphilly - P2) - Improve standards of housing and communities, giving appropriate access to services across the County Borough.
- Caerphilly CBC Corporate Plan 2014/15 – Improvement Object 6: - *“We want to prevent homelessness wherever possible by working collaboratively with a range of partners to provide a holistic homelessness prevention service”.*
- Local Housing Strategy Aim 1: To reduce the incidences of homelessness and repeat homelessness, and to eliminate rough sleeping &
- Local Housing Strategy Aim 10: To promote the growth of a private housing sector that is healthy, vibrant and well managed.
- 2014/15 Caerphilly Homes Service Plan.
- Caerphilly CBC Private Sector Housing Renewal Policy

4. DEVELOPING A HOUSING SOLUTIONS MODEL

4.1 THE HOUSING (WALES) BILL

4.1.1 Welsh Government announced in the Homes for Wales white paper that it will be developing a new joined up approach across the whole housing sector which will introduce new legislation, market interventions and new statutory housing responsibilities for Wales. The new approach will introduce duties to collaborate and cooperate across all housing sectors and a substantial change will come with the enactment of the Housing (Wales) Bill, anticipated to become law in April 2015.

4.1.2 The Housing Bill, laid before the Assembly in November 2013, includes proposals to:

- Regulate the private rented sector by introducing landlord registration and accreditation with associated penalties for failure to do so.
- Take all reasonable steps to prevent or relieve homelessness for anyone at risk of homelessness within 56 days.
- Provide local authorities with a power to discharge its homelessness duties into the Private Rented Sector (PRS).
- End the ‘intentionality’ test for homeless households with children by 2019
- Remove the duty of housing owed to ex-offenders on release from prison who have no fixed abode, unless they are vulnerable
- Introduce a new duty to house rough sleepers

4.1.3 The new homelessness legislation intends to introduce a ‘Housing Solutions’ approach that will ensure that homeless households will have suitable accommodation available to them for at least 6 months. The Chartered Institute of Housing (CIH) acknowledges that with a lack of social housing and new development, there is an increasing demand for private rented properties and that Wales will continue to depend on the PRS to meet the growing need for housing. In their recent paper, the CIH reminds local authorities of the need to recognise the contribution of the PRS locally and to ensure that it is embedded into Local Housing Strategies. This focus should include the work on wasted empty homes and the measures that are needed to bring them back into use.

4.1.4 The legislative changes due to be introduced with the enactment of the Housing Bill in April 2015 will also bring about a change to the definitions of the national statistics for homelessness. Authorities in Wales have been made aware through the national Homelessness Network that the new performance indicators will require Authorities to report on the number of cases where the risk of homelessness has been prevented i.e. where the Authority has assisted the client to remain in suitable housing or to access suitable, affordable

accommodation prior to the client actually becoming homeless.

4.2 **HOMELESSNESS AND THE PRIVATE RENTED SECTOR**

4.2.1 In a report published by Shelter Cymru (Feb 2014) concerns were raised about the ability of the PRS to meet the needs of homeless households once the power to discharge the homelessness duty into the PRS becomes available. According to the Shelter report, the ending of a PRS tenancy is the second highest cause of statutory homelessness in Wales and via wider research into the discharge of homelessness duty into the PRS in England, they suggest there are worrying implications for the changing homelessness policy in Wales.

4.2.2 Some of the key problems identified in the Shelter report concerned the lack of tenancy support when things had gone wrong with a PRS tenancy. Homeless households receive varying levels of support whilst in receipt of homelessness services but once duty is discharged, the support provision invariably ends, largely due to financial constraints. Vulnerable people whose housing duty had been discharged into the PRS who were already facing specific social and health challenges found it harder to cope with a PRS tenancy. Homeless households who were housed in the PRS found the sector expensive to access and perceived that their PRS tenancy could be ended at short notice.

4.2.3 Shelter Cymru support a series of measures to ensure that the new power to discharge a homelessness duty into the PRS should be underpinned by core values if tenancies in the PRS are to be sustainable:

- Tenancies need to be a minimum of 12 months in length to ensure that some measure of stability is given to the household
- PRS properties must be free of all Category 1 Hazards. This means that local authorities must inspect before it is offered to a homeless household
- Support for tenants accessing the PRS must be improved; the needs of the service user must be considered and support must be accessible should it be needed for longer than 6 months
- Where possible, re-engagement with households should be in place to ensure the accommodation continues to be suitable
- Households should be able to access assistance to get essential furnishings, such as through the use of the Discretionary Assistance Fund
- Wider access to financial assistance should be provided such as through homeless prevention funds. (We currently deploy some £25k/annum by way of loans)
- Authorities should ensure PRS accommodation is affordable: homeless households should not be housed into properties with unaffordable rent and household bills.

4.3 **THE LOCAL PRIVATE RENTED SECTOR**

4.3.1 Over the past 7 years, the Caerphilly Private Landlord Forum has been active within the county borough, with the aim of sharing information and advice for landlords with rental properties in our area. The Authority supports the Forum and its Chair is an experienced local landlord and resident. Many partnerships have developed over the course of the Forum's life that have resulted in better lines of communication between landlords and our Housing Benefits Section, Environmental Health and Housing Advice Teams.

4.3.2 In the 2011 census, it was reported that 48% of PRS tenants in the Caerphilly borough were in receipt of housing benefit and we know anecdotally that rent levels in the sector have increased in line with general housing costs, but also through market forces of supply and demand. There is also limited access to the PRS for single persons under 35 in particular as it is not an affordable option.

4.3.3 There is currently no legal requirement for private landlords to register themselves or details of their properties with the Authority. However, over the past few years, communication through newsletters, accreditation training events and most recently a new Caerphilly Private Landlord website has improved access arrangements. The Housing (Wales) Bill will introduce

the requirement for all PRS landlords to register and those landlords and agents who intend undertaking management responsibilities must be licensed. However, until this becomes a legal requirement there will be no reliable data on the number of PRS landlords and properties in the County Borough.

- 4.3.4 Whilst we know that approximately half of the PRS tenants in the borough are in receipt of housing benefit, the Data Protection Act prevents the sharing of landlords' details with other departments. Unfortunately many landlords come to the attention of the Authority following complaints from tenants and it is evident that many landlords continue to be ignorant of the laws on tenancies, housing conditions and their responsibilities as landlords. Whilst the new powers to register/license landlords will assist us in working with landlords ignorant of their responsibilities, there is also the possibility that PRS landlords may exit the rental market should they consider their new liabilities as being burdensome.
- 4.3.5 Affordability is a major barrier to access the PRS: whilst rent levels vary across the county borough area, depending on location and property size, the majority of landlords and letting agents require one month's rent in advance and an equal amount for a bond/deposit (lettings agencies also charge an administration fee in advance, approximately £200). For a tenant to secure a typical £500pcm rental property, at least £1000 is payable in advance. If the tenant is in receipt of housing benefit, payment may take some weeks to process and, therefore, the rent account will be in arrears at the very start of the tenancy.
- 4.3.6 Assisting tenants to access the PRS through rent in advance payments and through the Caerphilly Bond Scheme has been the practice for several years. However, our Homelessness Prevention officers are increasingly reporting that local letting agents are less likely to grant a tenancy to a household in receipt of housing benefit without a guarantor. Although no research has been carried out, it is likely that the reduction of the Local Housing Allowance rates generally, plus the reduction of benefit for single people under 35yrs has exacerbated this problem.
- 4.3.7 From 2008 PRS landlords were no longer entitled to receive housing benefit payments directly unless their tenant had either become over 2 months in arrears or was considered to be vulnerable and less able to manage their financial affairs. In order to continue to support both landlords and tenants a partnership with the Caerphilly Private Landlord Forum, Smart Money Credit Union and the Housing Benefits section has been set up to facilitate direct payments with the agreement of tenants to PRS landlords. Take up by landlords to date has, however, been limited.

4.4 **ORGANISATIONAL THREATS AND OPPORTUNITES**

- 4.4.1 Through partnership working with Supporting People and other local social housing providers the Authority has been proactive in developing interim accommodation for homeless families, homeless single people and homeless young people. The expectation of these service users is that social housing will be made available for them in the area and property type of their choice, either within the Authority's stock or through the nominations process with the partner social landlords. There is already existing pressure on all social housing landlords demonstrated by long general housing needs waiting lists, without the additional burden of the numbers of homeless households who are owed a duty of housing by the Authority.
- 4.4.2 Without an additional source of housing available to the Authority, those temporarily accommodated in emergency B&B and interim accommodation will remain in their respective accommodations for lengthy periods. To illustrate this there are currently 25 homeless single people in emergency B&B emergency accommodation, and whilst not all of them will be owed a duty of housing, the Authority does have a duty to provide them with emergency accommodation whilst statutory homeless investigations are undertaken. Even when homelessness investigations have been completed, until such time that a suitable social housing property becomes available, service users will remain in B&B. The same delay described here is replicated for every service user housed in our various other temporary accommodation units. In addition, where the Authority gives preference in its allocation of

social housing to priority groups such as homelessness service users, the general needs waiting list service users are also detrimentally affected by the resultant longer waiting times.

- 4.4.3 For a number of months, a dedicated Homelessness Prevention officer has been assisting households threatened with homelessness to remain in their existing accommodation or to access PRS accommodation through the provision of advice and assistance. Financial assistance has been given through our Homelessness Prevention Fund (a repayable rent in advance scheme) and referral to the Caerphilly Bond Scheme. Through this approach, the Authority can help to prevent households presenting as homeless and subsequently requiring the emergency accommodation as described above. However, it has become apparent that some of the households initially assisted and prevented from becoming homeless are returning for our assistance because they are again under threat of homelessness. It is apparent, therefore, that to achieve realistic housing sustainability in the PRS, tenancy support is essential.
- 4.4.4 The WLGA in association with the Homelessness Network in Wales have developed a series of PRS toolkits to enable local authorities to prepare for a new housing solutions approach to make the best use of the PRS. It is felt that the partnerships already in place and described in previous sections of this report give the Authority's Homelessness Prevention team a strong starting point to take advantage of the PRS Toolkits. However, it is also felt that alternative housing solutions now need to be developed.

4.5 **SOCIAL LETTINGS AGENCIES**

- 4.5.1 Social Lettings Agencies (SLA) already exist across Wales, operated either by in-house Local Authority Teams, Housing Associations or Third Sector Organisations. Research into the effectiveness of existing SLAs was undertaken by the WLGA in 2013 and an Advice Note has been published to assist strategic housing authorities in developing SLA's in areas where such a housing need has been identified. The WLGA report identified the following essential features of a successful SLA:

- Provision of affordable accommodation with rents set at local housing allowance rates or below
- Being free to tenants at the point of access (no administration fees)
- Affording priority to people in housing need or on low incomes
- Providing good quality accommodation
- Promoting sustainability for both tenants and landlords
- Providing a responsive and supportive management service to tenants
- Being geared to access higher levels of support for tenants where needed

To secure the above features, Authorities considering developing an SLA should also:

- Be market aware
- Recognise the PRS as a valuable resource to assist in the delivery of housing services
- Be able to source property in the right areas to meet housing need
- Have a clear social purpose
- Be open and transparent

- 4.5.2 However hard the Authority tries to promote the use of the PRS as a realistic housing opportunity, there are preconceptions held by both landlords and tenants. For PRS landlords the changes to the housing benefit system of direct payments, reduction in actual housing benefit amounts paid, plus the forthcoming requirement to become accredited and licensed may be a "bridge too far" and there is concern that some PRS landlords may cease providing tenancies to benefit dependant tenants, or even leave the sector all together. As previously suggested, local intelligence informs us that certain letting agencies within the County Borough will no longer accept benefit dependant tenants without a guarantor. This, together with agency fees and the need to have finance available in advance creates serious barriers for many households attempting to access the PRS.

4.5.3 For many people the PRS provides flexibility and choice but those seeking social housing want security of tenure, which is only currently available through home-ownership or via a social housing tenancy. Unfortunately, the Authority has found many instances reported by PRS tenants where, through their lack of awareness of tenants' rights, their lack of understanding about security of tenure and protection from eviction tenancies have ended needlessly. Many tenants reporting to the Housing Advice Centre have left PRS tenancies owing rent, without giving proper notice to the landlord and have failed to report repairs in a timely manner. There is, therefore, as much ignorance in respect of tenants' responsibilities to their landlords as there is of landlords' responsibilities towards their tenants. Some of these issues will, however, be addressed by the forthcoming Renting Homes Bill. The Renting Homes Bill is scheduled for introduction in 2015 and will provide a clearer, simpler and more straightforward legal framework for renting a home.

4.6 **OPTIONS**

4.6.1 In going some way to address the problem of an undersupply of affordable housing within the private rented sector there are potentially 3 options for Members consideration:

1. Provide incentive payments to existing Letting Agents and Private Landlords.
2. Utilise the Services of an External Social Lettings Agency.
3. Develop an In-House Social Lettings Agency.

4.6.2 **Option 1 - Incentive Payments**

The Authority has never undertaken any activity whereby incentive payments have been made to private sector landlords or Letting Agencies in an effort to secure affordable accommodation for tenants in need. Indeed, to do so when the quality of accommodation, management capabilities of a landlord and level of ongoing tenant support are unknown is questionable. Also, to consider an option such as this would warrant the creation of a funding source adequate for the purpose. There is currently no budget provision to support an initiative such as this, nor is there scope to redeploy funding from other areas of the General Fund budget for Homelessness/Housing Advice to support such activity.

4.6.3 **Option 2 - External Social Lettings Agency**

Seren Living, a branch of Charter Housing operates an external Social Lettings Agency. The Agency is based in Newport and, having operated reasonably successfully in the Newport area for several years extended their scheme to operate within the Caerphilly County Borough area in 2012. Notwithstanding the efforts made by Seren Living, factors such as their Newport location, their operating practices and the different characteristics of the private sector in the Newport area, have seen the Organisation achieving only limited success within our County Borough.

As part of a wider investigative study into the private rented sector, the WLGA in 2013 commissioned housing consultants Anne Delaney and Associates to undertake a specific review of Social Lettings Agencies across Wales. Their findings were critical of many external Social Lettings Agencies, particularly in respect of their operating practices. Many created significant barriers on affordability grounds by charging administration fees, and at others the protection of the landlord often appeared to take priority over the needs of the tenant. Quality of accommodation is also an issue as Local Authorities do not have control over the accommodation utilised by External Social Lettings Providers.

In a local context, the Consultant's report showed Seren Living having only acquired some 8 properties for social letting within Caerphilly whilst Cartrefi Hafod Housing Association also had limited success, having secured just 1 property for social letting within the County Borough. The performance of external Social Lettings Agencies, with certain exceptions, has been shown, therefore, to be extremely inconsistent and in many cases fails to deliver the affordable housing services demanded by Local Authorities.

4.6.4. **Option 3 - In-House Social Lettings Agency**

The development of an In-House SLA can provide opportunities for existing PRS landlords and property owners wishing to become landlords (such as owners of empty property) to rent out their properties through the Authority. The Agency would provide an additional supply of housing, matched to tenants' needs and affordability, with a property management service to facilitate appropriate discharge of the Authority's duty to house those in need. The Agency would cater for service users unable to access traditional PRS properties supplied by letting agents and other PRS landlords where currently barriers exist.

Through the existing Caerphilly Private Landlord Forum we already know there is a desire from landlords to work more closely with the Authority and provide such a service. For owners of empty properties, an In-House Agency option would provide a mechanism for property owners to become landlords through the Authority at arm's length. For prospective tenants, such as those threatened or who are actually homeless, the Agency would provide a wider choice of property type often in areas not traditionally used for social housing.

An In-House, Caerphilly Social Lettings Agency would operate in a similar manner to a traditional high street agent, however, its services would be tailored to ensure that the agency operates for the benefit of would-be social housing tenants in that:

- The agency would be operated on a not for profit basis and income generated would be used to offset operational running costs and/or be reinvested back into the service.
- Rent levels would in all cases be set at Local Housing Allowance rate, based on the number of bedrooms. This is to ensure that prospective tenants in receipt of benefits will be able to afford the rent and sustain the tenancy.
- The Council would advertise available properties initially on standard 6 month assured short-hold tenancy agreements, which will have the option to extend.
- Administration fees usually paid by prospective tenants would not be charged.
- A tenancy support service would be provided for each new tenant and would continue for as long as the support is needed to ensure the tenancy is sustainable.
- Credit Union accounts would be opened for each new tenant to facilitate direct benefit payment to the Agency and to promote access to all facilities offered to Credit Union members.
- Landlords from the PRS would be registered with the Council and would be assured of a full tenancy management service at a cost of 8% of the rental income. Landlords with properties managed by the Council's Social Lettings Agency would not be required to become accredited/licensed landlords: the Social Lettings Agency will be the accredited/licensed Agency as required by the Housing (Wales) Bill 2015.
- The Agency would operate in compliance with the Equalities Act 2010 and guidance there under to ensure that any practices currently observed in the PRS that may be unfair and discriminatory towards tenants do not prevail.

A model such as this has already been developed at Carmarthenshire County Council and in the 5 years since its inception has built up a portfolio that currently stands at some 153 properties.

5. EQUALITIES IMPLICATIONS

- 5.1 No Equality Impact Assessment has been undertaken on this report however the Agency would operate in compliance with the Equalities Act 2010 legislation and guidance, to ensure practices currently observed in the PRS that are unfair and discriminatory towards tenants do not prevail.
- 5.2 Where possible adverse impacts are identified, such as where disability issues and the numbers of bedrooms in the property are a factor, the Social Lettings Agency will be able to assist such potentially disadvantaged groups with the opportunity to access appropriate and affordable housing options, given the expertise that will be immediately available or via

signposting to prospective tenants.

- 5.3 The Principal Housing Officer (Housing Portfolio) has worked with the Senior Policy Officer (Equalities and Welsh Language) and private landlords to develop a set of Equalities guidance that is currently being consulted upon that will help landlords and tenants understand the relationship between the two areas.

6. FINANCIAL IMPLICATIONS

- 6.1 **Option 1** – There is currently no budget provision to support an initiative such as this, nor is there scope to redeploy funding from other areas of the General Fund budget for Homelessness/Housing Advice. To pursue this option, therefore, would require a new funding source to be identified.
- 6.2 **Option 2** – There are normally no financial implications for the Authority in respect of this option. However, there is the potential for certain prospective tenants to need assistance with funding for bonds and/or rent in advance which in appropriate cases the Authority would support.
- 6.3 **Option 3** - The creation of an In House Social Lettings Agency would necessitate the appointment of a Manager together with Clerical Support. Tenancy Support can be provided from within existing resources by way of support from staff currently undertaking tenancy support within Public Sector Housing.
- 6.4 The Agency would also need an ICT database, which would cost approximately £10,000 per year (for the software, design, licence and support) although the final costs would be subject to the outcome of procurement processes. The IT system would provide an Account Management tool, website advertising for prospective tenants, produce maps and information on transport links and have a system of recording satisfaction surveys and property maintenance reports.
- 6.5 The actual financial implications would, therefore, be in respect of a Grade 9 Manager post (£40,598 inclusive of on costs), Clerical post (£20,323 inclusive of on costs) and ICT database (£10k). Totalling approximately £71,000.
- 6.6 Welsh Government has, however, announced that Transitional funding will be available from April 2015, (albeit reducing year on year for 3 financial years) to help Local Authorities discharge the additional Homelessness duties brought about by the Housing (Wales) Bill. Indications as far as CCBC is concerned suggest funding of some £290k will be available in year 1, £190k in year 2 and approximately £110k in year 3. Participating Landlords will also be asked to pay the Authority 8% of their rental income as a contribution towards the full tenancy management service provided by the SLA.

The Transitional funding will be sufficient to cover the setting-up costs of the Agency and this, together with the income from the establishment of a comprehensive housing portfolio, is such that the Agency could expect to be self-financing by year 3 of its operation.

7. PERSONNEL IMPLICATIONS

- 7.1 The scheme would warrant the appointment of a Manager and Clerical Assistant as outlined above. The Manager would probably need to be recruited by way of advert but other staff requirements could be met from within existing teams and the redeployment pool. Staff would, however, be appointed initially on a fixed term basis to allow for a review of the Agency service to ensure it successfully meets its objectives. A further report will then be submitted to determine the future of the service.

8. CONSULTATIONS

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

9. RECOMMENDATIONS

- 9.1 That Policy and Resources Scrutiny Committee considers this report and recommends to Cabinet that Option 3. i.e. the development of an In-House Social Lettings Agency as outlined in para 4.6.4 above be implemented.
- 9.2 That a further report outlining progress to date and the performance of the Social Lettings Agency be submitted to Policy and Resources Scrutiny Committee within 12-18 months of its commencement.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 In consideration of the options outlined in para 4.6 officers consider that;

Option 1 – There are currently no funding opportunities to support this Option and the opportunities to develop such an initiative to a level whereby it would form a useful, strategic element of the Homelessness/Housing Advice service, capable of assisting the Authority in adequately discharging its future housing duties are extremely limited.

Option 2 - Recent research and first hand experience in respect of current working arrangements with External Social Lettings Agencies indicate that this option would not deliver sufficient numbers of properties to assist the Authority in adequately discharging its future housing duties.

Option 3 – This Option offers a strategically planned, affordable, tried and tested model in which private sector landlords could have confidence. It would ensure the Council could comply with the additional burden of the Housing (Wales) Bill 2015, once enacted, by providing sufficient additional units of suitable, affordable housing for residents who are homeless or at risk of becoming homeless.

11. STATUTORY POWER

- 11.1 Housing Act 1996 as amended by the Homelessness Act 2002.

Author: Suzanne Cousins, Principal Housing Officer (Housing Portfolio)
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Consultees: Cllr Gerald Jones - Deputy Leader & Cabinet Member for Housing
Cllr Hefin David – Chair Policy and Resources Scrutiny Committee
Cllr Sean Morgan – Vice-Chair Policy and Resources Scrutiny Committee
Nicole Scammell - Acting Director of Corporate Services.
Shaun Couzens - Chief Housing Officer
Graham North – Public Sector Housing Manager
Kenyon Williams - Private Sector Housing Manager
Paul Smythe - Housing Repair Operation Manager
Rhys Lewis - Systems & Performance Manager
Lesley Allen - Principal Accountant
Fiona Wilkins - Principal Housing Officer (Private Sector)
Allan Elliott - Principal Housing Officer (Agency)
Malcolm Topping - Supporting People Manager
Mark Jennings - Housing Strategy Officer
Gail Williams – Interim Head of Legal Services

Sandra Isaacs – Rents Manager
Area/Neighbourhood Housing Managers
David A. Thomas, Senior Policy Officer (Equalities and Welsh Language)

Background papers:

The report to the Caerphilly Homes Task Group on Empty Homes (13th March 2014)

WLGA Report on Social Lettings Agencies – available on the WLGA Website

Appendices:

Appendix 1 Equality Impact Assessment Form – The Creation of A Social Lettings Agency



EQUALITY IMPACT ASSESSMENT FORM

This Council recognises that people have different needs, requirements and goals and we will work actively against all forms of discrimination by promoting good relations and mutual respect within and between our communities, residents, elected members, job applicants and workforce.

We will also work to create equal access for everyone to our services, irrespective of ethnic origin, sex, age, marital status, sexual orientation, disability, gender reassignment, religious beliefs or non-belief, use of Welsh language, BSL or other languages, nationality, responsibility for any dependents or any other reason which cannot be shown to be justified.

NAME OF NEW OR REVISED POLICY / FUNCTION / PROCEDURE	The Creation of a Social Lettings Agency
DIRECTORATE	Corporate Services
SERVICE AREA	Private Sector Housing
CONTACT OFFICER	Kenyon Williams
DATE POLICY WILL BE REVIEWED / REVISED NEXT	30 th September 2014 – Report to Policy and Resources Scrutiny Committee

PURPOSE OF THE POLICY / FUNCTION / PROCEDURE

1.	<p>What is the policy / function / procedure intended to achieve? <i>(Please give a brief description of the purpose of the new or updated policy / function / procedure)</i></p> <p>The report asks members of the Policy and Resources Scrutiny Committee to consider the creation of a Social Lettings Agency and, if supportive, to recommend to Cabinet the creation of the same.</p> <p>It considers the Housing (Wales) Bill 2015 and its implications for the Authority in respect of its responsibilities for homelessness prevention, registration and licensing of Private Sector landlords and the options available for the utilisation of some of the Authority’s public and private sector empty properties.</p>
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2.	<p>Who are the service users for whom the policy / function / procedure has been developed? <i>(Who will be directly affected by the delivery of this policy / function / procedure? e.g. staff members, the public generally, or specific sections of the public i.e. youth groups, carers, road users, people using country parks, people on benefits etc.)</i></p> <p>Persons requiring rented housing accommodation, therefore will include people who fall under the protected characteristics of the Equalities Act 2010.</p>
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IMPACT ON THE PUBLIC AND STAFF

<p>3.</p>	<p>Does the policy / function / procedure ensure that everyone has an equal access to all the services available? <i>(What has been done to examine whether or not these groups have equal access to the service, or whether they need to receive the service in a different way from other people?)</i></p> <p>The Social Lettings Agency would operate in compliance with the Equalities Act 2010 legislation and guidance, to ensure practices currently observed in the PRS that are unfair and discriminatory towards tenants do not prevail.</p> <p>Where possible adverse impacts are identified, such as where disability issues and the numbers of bedrooms in the property are a factor, the Social Lettings Agency will be able to assist such potentially disadvantaged groups with the opportunity to access appropriate and affordable housing options, given the expertise that will be immediately available or via signposting to prospective tenants.</p> <p>The Principal Housing Officer (Housing Portfolio) has worked with the Senior Policy Officer (Equalities and Welsh Language) and private landlords to develop a set of Equalities guidance that is currently being consulted upon that will help landlords and tenants understand the relationship between the two areas.</p>
	<p><u>Actions required</u></p> <ul style="list-style-type: none"> • Once the final Option choice from the report has been agreed, any operational documents/forms etc will be made available in different languages and formats as required and will be consulted upon in line with the Council's Public Engagement Strategy and the Equalities Consultation and Monitoring Guidance. • The Landlords guidance will be completed and published in October 2014 and is being presented for information to the Caerphilly Homes Task Group on 30th October 2014.
<p>4.</p>	<p>What are the consequences of the policy for particular groups? <i>(Has the service delivery been examined to assess if there is any indirect affect on any groups? Could the consequences of the policy differ dependent upon people's disability, race, gender, sexuality, age, language, religion/belief?)</i></p> <p>There are no adverse consequences/implications for any particular groups.</p>
	<p><u>Actions required</u></p> <ul style="list-style-type: none"> • The operation of the Lettings Agency will be monitored to ensure that any adverse consequences/implications that emerge are anticipated and dealt with promptly.

INFORMATION COLLECTION

5.	<p>Is full information and analysis of users of the service available? <i>(Is this service effectively engaging with all its potential users or is there higher or lower participation of uptake by one or more groups? If so, what has been done to address any difference in take up of the service?)</i></p> <p>No – Service not, as yet, created</p>
	<p><u>Actions required</u></p> <ul style="list-style-type: none"> • Service users will be monitored by Equalities data to ensure any trends are identified quickly.

CONSULTATION

6.	<p>What consultation has taken place? <i>(What steps have been taken to ensure that people from various groups have been consulted during the development of this policy / function / procedure? Has the Council’s Equalities groups/staff been consulted?)</i></p> <p>The Council’s Senior Policy Officer (Equalities and Welsh Language) has been consulted in respect of this report, as have numerous other officers and Elected Members as named in the Consultees listing.</p>
	<p><u>Actions required</u></p> <ul style="list-style-type: none"> • Once the final Option choice from the report has been agreed, any operational documents/forms etc will be consulted upon in line with the Council’s Public Engagement Strategy and the Equalities Consultation and Monitoring Guidance.

MONITORING AND REVIEW

7.	<p>How will the policy be monitored? <i>(What monitoring process has been set up to assess the extent that the service is being used by all sections of the community? Are comments or complaints systems set up to record issues by Equalities category?)</i></p> <p>If created, the service will be the subject of ongoing monitoring and a further report within 12-18 months of its creation.</p>
	<p><u>Actions required</u></p> <ul style="list-style-type: none"> • Further progress/performance report in 12-18 months time.

8.	<p>How will the policy be evaluated? <i>(What methods will be used to ensure that the needs of all sections of the community are being met?)</i></p> <p>The progress report will reflect any comments/issues/suggestions encountered during the initial period.</p>
	<p><u>Actions required</u></p> <ul style="list-style-type: none"> Any equalities-related issues identified in the above progress report will be discussed with the Senior Policy Officer (Equalities and Welsh Language) and processes/forms etc will be adjusted as necessary.

9.	<p>Have any support / guidance / training requirements been identified? <i>(Has the EIA or consultation process shown a need for awareness raising amongst staff, or identified the need for Equality training of some sort?)</i></p> <p>No training as yet identified</p>
	<p><u>Actions required</u></p> <ul style="list-style-type: none"> Awareness raising training on dealing with customers with different needs can be offered to the Social Lettings Agency staff once the service is in place, via the Equalities and Welsh Language team's existing training provision for CCBC staff.

10.	<p>What wider use will you make of this Equality Impact Assessment? <i>(What use will you make of this document i.e. as a consultation response, appendix to approval reports, publicity etc. in addition to the mandatory action shown below?)</i></p>
	<p><u>Actions required</u></p> <ul style="list-style-type: none"> The EIA will be attached as an appendix to the Policy and Resources Scrutiny Committee report for information. The EIA, when completed, will be published on the Council's website as part of the publication of all committee reports.

Completed By:	Kenyon Williams
Date:	11 th September 2014
Position:	Private Sector Housing Manager
Name of Head of Service:	Shaun Couzens

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CABINET – 1ST OCTOBER 2014

SUBJECT: ISLWYN WEST SECONDARY SCHOOL - UPDATE

REPORT BY: ACTING DEPUTY CHIEF EXECUTIVE

1. PURPOSE OF REPORT

1.1 The purpose of the report is to provide members with an update on the new Islwyn West Secondary School. The report includes:

- Progress on the development of the design
- Programme Plan for delivery of the project
- Roles and responsibilities
- Initial Cost Plan
- Appointment of construction contractor
- Project issues to be addressed

2. SUMMARY

2.1 The report presents the three Concept Designs that have been prepared by the Council's Building Consultancy Design Team. AECOM were appointed as the Council's external Project and Cost Consultants. They have endorsed one of the designs as being the most efficient and cost effective. Despite this the reports also highlights that the initial cost plan is in excess of the approved budget of £18 to £18.5 million. However at this stage the cost plan is based on high level costs which are subject to refinement. Therefore the report discusses the measures being taken by AECOM to review the costs. These include the appointment of the construction contractor as quickly as possible in order to gain their input into cost effective construction methods, as well as undertaking value engineering and considering a range of options.

2.2 AECOM have also prepared a Programme timetable which currently shows completion of the school by December 2016 with occupation in January 2017. The Programme represents a realistic worst case position. It is being constantly reviewed to identify ways that the completion date can be brought forward. AECOM have also compiled a matrix of Roles and Responsibilities to help during the management of the project. As well as the date for completion of the new school, other key issues discussed in the report include factors such as the size constraints on the site and the pupil bulge.

3 LINKS TO STRATEGY

3.1 The new secondary school is being delivered as part of the Welsh Government's 21st Century Schools Programme.

4. THE REPORT

- 4.1 The external Project Manager and Cost Consultants, AECOM, were appointed during the Summer and have commenced work on both developing the programme timetable and undertaking the cost analysis of the new school.
- 4.2 The Council's Building Consultancy Design Team have prepared three outline designs for the school which have been passed to AECOM. The designs have been refined following the first stage of the consultation with school staff.

Progress and Issues

4.3 Consultation

Building Consultancy's Design team held the first phase of consultation with school staff in July before the Summer school holidays. This has enabled them to incorporate staff feedback into the Concept Designs as far as possible. The Education Department and AECOM have also jointly met with representatives from the 'shadow' governing body of the new school.

Further consultation meetings are to be scheduled during the Autumn term as work on the school design progresses. These will involve the schools and also the wider community. It is intended that there will be regular engagement with stakeholders as construction of the new school commences.

It is essential that a senior and responsible representative of the school is nominated as soon as possible in order to engage with the design and construction teams, to avoid potential changes at a later date.

Validation and Assessment of Design to Date

- 4.4 Over the summer period, Building Consultancy's Design Team prepared three designs for the new school. These are shown in Appendix 1. AECOM are recommending the design shown in Appendix 1 labelled Option 3. Having reviewed the design, AECOM feel that the proposals are both realistic and efficient, utilising components that have been incorporated in to a number of secondary schools delivered within South Wales. The materials are robust and are not considered to be overly specified. It has reduced complexity within the building design, and its simplicity of design maximises the opportunity to derive cost efficiency within the building. AECOM confirm it is the preferred design option providing the most cost effective solution.

AECOM also confirm that the project work undertaken to date has generally passed RIBA Stage 1 (Preparation and Brief) and is now into Stage 2 (Concept Design), although there remains some elements of the brief which remain under discussion and the budget needs to be reconciled with the currently identified aspirations as noted later in this report. As discussed below AECOM are now liaising with the Council's Procurement team in order to undertake the tendering process for the construction contractor as quickly as is feasible. Once the construction contractor is appointed they will work closely with Building Consultancy's Design Team in order to finalise the design and confirm costs.

Appointment of Construction Contractor

- 4.5 Work has now commenced on the appointment of a construction contractor. The appointment will be made using the two stage tender process as approved by Cabinet on 4th June 2014. The contractor will be selected from the SEWSCAP framework.

In terms of the tendering process, AECOM are liaising with the Council's Procurement team to appoint the construction contractor as quickly as possible. It is envisaged that this will be completed during December. However options are being reviewed for an earlier appointment. The procurement route is a two stage one of negotiating the final design and then the cost of the construction stage. Upon appointment the contractor's first task will be to further develop the principles behind the design, before going on to develop the design to a detail sufficient for costing with some certainty. AECOM will facilitate this process and lead the negotiations with the contractor. The Council is not committed to construct the school until agreement is reached on the price and the contract signed for the main works to commence, currently anticipated to be May 2015. A key project risk is the inability to negotiate the main works price for the delivery of the current design with the contractor to within the available budget.

As presented to Cabinet on 4th June 2014, there are two options in terms of the type of construction contract that can be used once the design and costs have been finalised. These are the NEC Option A (i.e. fixed price) and the NEC option C (target price). The type of contract to be used needs to be included in the tender documentation for the appointment of the design and build contractor. The intention of the two stage process is to provide best value for money and also to maximise cost certainty. To achieve this AECOM are recommending that the Council use Option C with the flexibility to swap to Option A if at the negotiation stage this provides the best value. This recommendation is summarised in AECOM's progress report which is included at Appendix 2

Project Issues to Address

4.6 The Concept Designs produced by Building Consultancy are based on relevant Building Bulletin guidance that the Welsh Government promotes for the design and construction of new schools. During the consultation period with the two schools a number of issues were raised as follows:

- The availability of playing fields may be restricted by the site constraints at Oakdale Plateau 3. This may be addressed by using playing fields nearby to supplement the facilities at Oakdale Plateau 3. One possibility is the facility already located at Rhiw Sir Dafydd.
- The size of the sports hall prescribed by the Building Bulletin for a secondary school is that of a four court badminton hall. The schools have aspirations for a larger hall capable of allowing netball to be played. The cost of this larger sports hall would be an additional £100,000. However it would alleviate some of the concerns regarding the availability of sporting facilities.
- The size of the main hall prescribed by the building Bulletin for a secondary school is in the view of the existing school staff insufficient for activities such as exam sittings.
- A curriculum analysis undertaken by the existing schools suggests the requirement for an additional 6 classrooms in comparison with the suggested number by the Building Bulletin. If the permanent design is adjusted to accommodate these classrooms then the additional cost could be in the region of £750,000.

Pupil Numbers

4.7 The longer term planning size of the school is 900. However while catchment area changes take effect it has always been acknowledged that there will be a "three year bulge" of pupils. The current design brief allows for a bulge of 100 pupils which can be accommodated flexibly within the design using resource areas and space that will be converted to community usage when the bulge subsides. Due to the high level of surplus places at both existing schools, it is going to be difficult to enforce the catchment area changes in September 2015 because of parental preference. Therefore it is possible that the bulge may be bigger. The Statutory Notice published a capacity of 1100 for September 2016 that would be managed down using relevant admissions policy. However to accommodate more than 1000 pupils flexibly with

permanent build would compromise the Council's ability to reduce the school's capacity in future years. The exact size of the pupil bulge may not be known until December when the admissions process for September 2015 is further progressed. Therefore at this stage it is necessary to cost in for a temporary classroom block capable of accommodating up-to a further 100 pupils taking the total to the stated 1100 pupils. The additional cost of this will be in the region of £300,000.

Costing Analysis

4.8 AECOM's detailed cost analysis is discussed in their Progress Report included at Appendix 2, and summarised below.

	£'000	£'000
Cost of mainstream element of Design to accommodate 1,000 pupils (900 plus 100 of the bulge)	19,720	
ALN Unit (for 50 pupils)	650	
Furniture and Equipment	647	
ICT Equipment	483	
	<hr/>	
AECOM's Initial Cost Plan		21,500
Additional potential costs		
Temporary classroom block To accommodate bulge between 1,000 and 1,100 pupils	300	
Cost of bigger sports hall	100	
Additional requirement of curriculum analysis	750	
	<hr/>	
		1,150
GRAND TOTAL		22,650 <hr/>

The figures above include discussions around additional aspirations of the schools following preparation of the initial cost plan i.e. bigger sports hall. However the figures are based on the number of classrooms recommended by the building bulletin. The project is clearly in excess of the approved budget of £18 to £18.5 million. However they are high level costs at this stage which are subject to refinement. AECOM are now working closely with Building Consultancy to identify the first stages of possible value engineering to bring costs down though it is agreed that the current design is efficient and the specification allowed for in the costing allows for no enhancements. AECOM and Education are also exploring options that will help to reduce the currently estimated costs.

These deliberations will continue once the construction contractor is on board. Finally AECOM will lead detailed negotiations with the construction contractor in order to reduce the price to the lowest possible level.

Programme Timetable

- 4.9 AECOM have prepared an amended programme for delivery of the new school. The programme is shown at Appendix 3. Currently the school is scheduled for completion in December 2016 with the school being occupied from January 2017. However AECOM are reviewing the programme on an on-going basis and will advise if it is possible to bring the completion date forward.
- 4.10 In their role as Project Managers AECOM Have produced an Organogram showing accountabilities and also a Responsibility Matrix. These are shown in Appendices 4 and 5 respectively.

5. EQUALITIES IMPLICATIONS

- 5.1 An Equalities Impact Assessment was conducted as part of the formal consultation process for the new school.

6. FINANCIAL IMPLICATIONS

- 6.1 A budget of around £18 million has already been approved by the Council based on the original estimates prepared at the time that the all three projects within the 21st Century Schools Programme were submitted to the Welsh Government. However as the full programme has developed Welsh Government has confirmed that it is possible to re-profile grant between the projects to reflect revised estimates for the projects.
- 6.2 The initial cost plan for the new Islwyn West secondary school shows the total cost exceeds the original estimate In terms of addressing this, the review of costs and value engineering exercises, together with the negotiations with the design and build contractor will reduce the final price to the lowest possible level. A review is also being undertaken of the profile of grant across the other projects in the 21st Century Schools Programme so that an appropriate virement can be made.

7. PERSONNEL IMPLICATIONS

- 7.1 There will be personnel implications in relation to staff from the existing Oakdale and Pontllanfraith Comprehensive Schools. An HR Strategy is being developed to manage this process.

8. CONSULTATIONS

- 8.1 Consultation has taken place with the staff of the two existing schools and some governors. Further consultation with the schools and wider community is planned. The list of consultees below has also been consulted. The report incorporates the views of consultees.

9. RECOMMENDATIONS

- 9.1 Members are asked to note the following:

The Initial Cost Plan for the new school is in excess of the budget that is currently available.

However work is in hand to review costs with the aim of reducing them to the lowest possible level.

The current anticipated completion of the school is December 2016 with occupation scheduled for January 2017. Opportunities to bring the completion date forward are being explored.

- 9.2 Members are asked to approve that the Concept Design labelled as Option 3 in Appendix 1, as recommended by AECOM, can be used for further consultation with the schools.
- 9.3 Members approve the use of NEC Option C form of contract, with the flexibility to transfer to Option A. This is also recommended by AECOM.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To ensure members are aware of current progress on the project.
- 10.2 To enable further school consultation during October.
- 10.3 To enable the tendering process for the design and build contractor to proceed.

11. STATUTORY POWER

- 1.1 School Standards and Organisation (Wales) Act 2013 and its associated Code.


Author: Martin Donovan, Project Lead 21st Century Schools
E-mail: DONOVM1@caerphilly.gov.uk
Consultees: Directorate Senior Management Team
Councillor Rhianon Passmore, Cabinet Member for Education & Lifelong Learning
Councillor Keith Reynolds, Leader
Councillor David Hardacre, Cabinet Member for Performance and Asset Management
Nicolle Scammell, Acting Director of Corporate Services & S151
Chris Burns, Interim Chief Executive
David A Thomas, Senior Policy Officer (Equalities & Welsh Language)
Colin Jones, Head of Performance & Property Services
Gail Williams, Acting Head of Legal Services/Monitoring Officer
Angharad Price, Solicitor, Legal Services

Appendices

- 1 (a to c) New School Concept Designs
- 2 Recommended Contract Type
- 3 Initial Cost Plan
- 4 Programme
- 5 Organogram
- 6 Roles and Responsibilities Matrix

NOTES :-
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 CONTRACTOR TO CHECK DIMENSIONS ON SITE
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 Building Consultancy Unit 1 Woodfieldside Business Park Pontllanfrith Blackwood NP12 2DG Tel: (01495) 226622 Building Consultancy Manager: M. Williams B.Eng, C.Eng, M.I.C.E.				
project title				
Islwyn West Secondary School (Option 1) EFA Base.				
drawing title				
Site Layout				
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project title				
Islwyn West Secondary School (Option 2)				
drawing title				
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 Building Consultancy Unit 1 Woodfieldside Business Park Pontllanfrith Blackwood NP12 2DG Tel: (01495) 226622 Building Consultancy Manager: M. Williams B.Eng, C.Eng, M.I.C.E.				
project title				
Islywn West Secondary School (Option 3) Central Core				
drawing title				
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A	290814	Reduced central spine	JCH
rev	date	amendment	drawn checked

drawing status
 Preliminary Tender Construction

CAERPHILLY
 Building Consultancy
 Unit 1
 Woodfieldside Business Park
 Pontllanfrith
 Blackwood
 NP12 2DG
 Tel: (01495) 226622
 Building Consultancy Manager: M. Williams B.Eng, C.Eng, M.I.C.E.

project title
 Islwyn West Secondary School (Option 3)
 Central Core

drawing title
 Ground Floor Plan

date	scale	drawn	checked
05/09/14	1 : 200	JCH	JCH
project no.	drawing no.	rev.	
4049 - 3	A001C	C	

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Department Legend

- Admin
- Circulation
- Gen Class
- Halls
- Library
- Science
- Store
- Utility



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A	290814	Reduced central spine	JCH
rev	date	amendment	drawn

drawing status Preliminary Tender Construction

CAERPHILLY Building Consultancy
 Unit 1 Woodfields Business Park
 Pontllanfrith Blackwood NP12 2DG
 Tel: (01495) 226622
 Building Consultancy Manager: M. Williams B.Eng, C.Eng, M.I.C.E.

project title
**Islwyn West Secondary School (Option 3)
 Central Core**

drawing title
First Floor Plan

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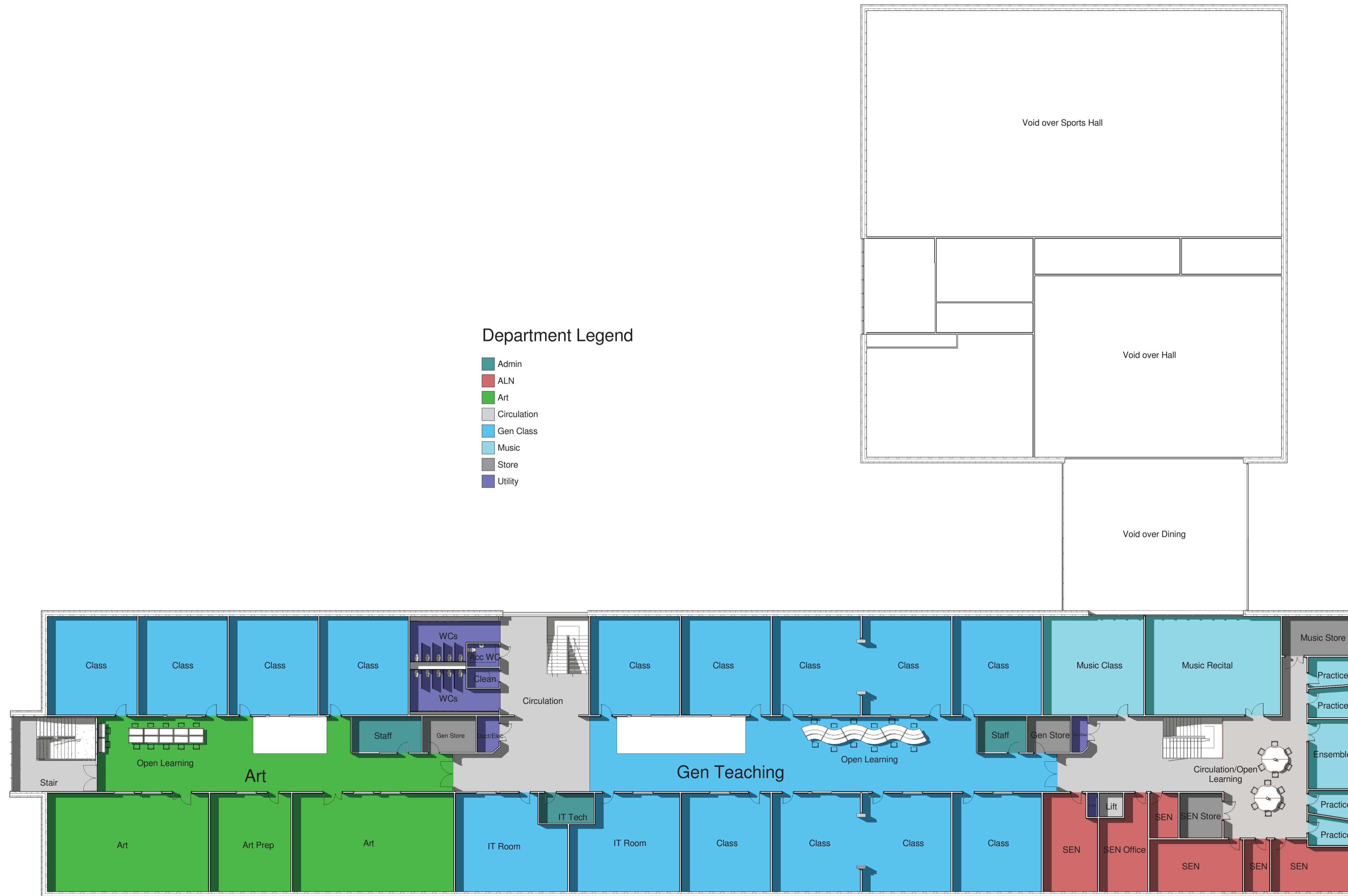
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A	290814	Reduced central spine	JCH
rev	date	amendment	drawn checked

drawing status Preliminary Tender Construction

CAERPHILLY
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 Woodfieldside Business Park
 Pontllanfraith
 Blackwood
 NP12 2DG
 Tel: (01495) 226622
 Building Consultancy Manager: M. Williams B.Eng, C.Eng, M.I.C.E.

project title
**Islwyn West Secondary School (Option 3)
 Central Core**

drawing title
Second Floor Plan

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Islwyn West Secondary School

Progress Report | 12th September 2014

Document Issue Sheet

Issue	Document	File Path	Issue Date	Parties Sent To	Prepared By	Checked By	Reviewed By
1	IWSS		12.09.14	CCBC	RM	WG	NW

Authorised by (Director)	
Date	12 th September 2014

Contents

1. Executive Summary
2. Works to date
3. Building option appraisal
4. Project cost plan
5. Procurement of the Works Contractor
6. Programme
7. Risk
8. Consultation
9. Recommendation

1. Executive Summary

- Three options tabled by Building Consultancy
- Proposals reviewed and option agreed upon in relation to layout and 'buildability'
- Current scheme does not match existing budget
- Current programme indicates completion December 2016
- Chosen solution to be developed in accordance with Building Bulletin 103
- Independent curriculum analysis to be carried out following challenge from school in relation to class room provision
- Use of Rhiw y Dafydd playing field to be factored in to sports provision

2. Work to Date

AECOM were appointed by Caerphilly County Borough Council to provide both Project and Cost Management services in relation to the development of the Islwyn West Secondary School to be located on plateau 3 at Oakdale.

The current requirements outlined by the Council are for the provision of a building for 900 pupils plus a 50 place ALN with a proposed budget of £18m. The scheme also needs to incorporate a bulge in the pupil numbers for 3 years from occupation. Discussions are ongoing in relation to the most effective way to incorporate this into the design including the use of the central 'corridor' space in the building. This will be further explored during the consultation phase.

Following AECOM's appointment, we have started working with the Building Consultancy team to review the designs to date and have started to develop cost plans relating to the three schemes which were under development by the Consultancy scheme.

The three schemes under consideration included:

- | | |
|--|--------------------|
| • Option 1 Design based on the Educational Funding Agency model | 8623m ² |
| • Option 2 Stretched model incorporating covered street area | 9300m ² |
| • Option 3 Rationalised design developed by Building Consultancy | 8742m ² |

3. Building Options Appraisal

Building designs were informed by Building Bulletin 103 (BB 103 Area guidelines for mainstream schools) which set out the spatial requirements for school design based on pupil numbers. This is a standard approach and one which we would expect to see utilised in the design process.

Discussions concerning specification of materials agreed that all three of the designs would utilise similar components based on the following:

- Standard foundation solutions (although the Site Investigation survey report is awaited)
- Steel frame
- Reinforced concrete floor planks

- Brick work at lower level
- Rendered panels at first and second floor
- Aluminium windows
- Standing seam roof in preference to a membrane roof due to durability
- Natural ventilation

The components are typical of those used for cost-efficiencies in a number of schools that AECOM has delivered throughout Wales and are considered robust and economic whilst maintaining a good level of aesthetic.

From our initial discussions, whilst all three options fitted the existing site in terms of the building footprint, the feeling was that option 2 would be significantly outside the proposed budget due to the configuration and floor areas and it was agreed with Building Consultancy that we would not proceed with developing this design.

Following subsequent meetings with Building Consultancy it was agreed to proceed with option 3 as the preferred design as it is considered the most efficient design whilst providing modern flexible accommodation, particularly in the central break out areas.

Consideration needs to be given by the Authority to several items raised by the schools during initial consultation. These items are considered over and above the school design guidelines recommended in the Building Bulletins and are not currently included with in the overall cost plan. These include additional classrooms based on the school's curriculum analysis plus a request for a larger sports hall, sized to match that currently enjoyed by Pontllanfraith School.

In relation to the additional class room provision, the schools have submitted their own curriculum analysis which indicates that they require an additional 6 class rooms over and above the recommendations of the Building Bulletin. The Council's Education team are in the process of commissioning an independent review of this. AECOM has delivered a large number of primary and secondary schools locally and across the UK, and feedback has been that those designs, built in accordance with the Building Bulletin guidance, have not restricted the curriculum but we await the outcome of the independent curriculum analysis.

A request has been made for the sports hall to be enlarged to allow indoor netball to be played. This is over and above the guidance set out in the Building Bulletin. A decision on whether to agree to this request will need to be made and for the additional costs (circa £100k) to be accepted.

Discussions are also ongoing over the new pitch provision. Pontllanfraith School currently benefits from the proximity of the leisure centre and its 3G pitch and grass playing fields provision, whereas Oakdale School has to utilise playing fields at Rhiw Sir Dafydd for the delivery of its curriculum. The proposed new Oakdale site will not accommodate all the required external sports areas and there will be a requirement for the new school to continue to utilise the pitches at Rhiw Sir Dafydd. The current changing rooms located within Rhiw Sir Dafydd Primary are suitable for use by the new school although there may be a requirement to provide some additional storage for the primary school in the region of 50m².

4. Project Cost Plan

Initial costs were developed against option 1 as that design was slightly more progressed when AECOM were appointed, and the cost report indicated an outturn cost of £21.5m. This figure was arrived at based on rates obtained from a number of schools delivered recently in South Wales as well as including assumptions for costs such as ICT provision, fixtures fittings and equipment based on costs incurred on the other projects, as well as client contingencies. At this stage we would recommend against amending these forecast costs to try to make the budget 'fit' as the costs have been checked against the final outturn cost benchmarks of other recent local schools.

The preference for option 3 has centred on the efficiency of its design and that the whole team considered the option to be a simpler building to construct, having a more straightforward footprint, wall to floor ratio and roof design. Currently the costs for option 3 are envisaged to be similar to option 1, in the region of £21.5m although a simpler building can be delivered more efficiently as time and cost is saved in the detailing of the design and in the construction processes. Pricing the ease of 'buildability' of Option 3 is not straightforward on a conceptual design but will be picked up in more detail during the next stage of costing as the design develops.

Given the tight timescale of the project and following discussion at a review meeting on the 1st September 2014, it was agreed that Building Consultancy would progress the development of Option 3.

5. Procurement of the Works Contractor

We understand that the Council has previously approved the procurement of a design and build contractor through a two stage tendering approach, and an appointment based on the NEC3 Engineering and Construction Contract. AECOM concurs with both of recommendations and confirm that this is in line with the majority of South Wales school projects delivered in the last five years.

We understand that a key driver of the project is to deliver cost certainty at the point of appointing the contractor to undertake the building works. In order to deliver this, there are two options available under the ECC contract for a project of this nature, Option A Lump Sum Price Based on an Activity Schedule, and Option C Target Cost. The first stage tender documents will need to state the form of contract the contractor is intended to be appointed under.

At the point of appointing the contractor it is currently unclear how much design risk will remain the responsibility of either the contractor or Council. For this reason, we would recommend that the tenders are sought on the basis of an Option C Target Cost contract but with the statement that the Council reserves the right to switch to an Option A before the conclusion of the second stage tender if later discussion concludes agreement that an Option A contract would provide better value for money. This will be discussed with the prospective tendering contractors at the next information meeting.

The appointment of the contractor will now be progressed, using the SEWSCAP (South East Wales Schools and Public Buildings Contractor) framework. AECOM's recommendation is to seek first stage tenders based on Contractor's preliminary costs, i.e. site set up, site staff costs, associated plant and materials, their NEC Fee (overheads and profit margin), and their design costs to take the project forward from the point of hand over from Building Consultancy through to completion of the project.

The initial appointment will be limited to design and pricing development services and under a Professional Services Contract. The purpose of which will be to allow the Contractor and his design team to develop the design and pricing in consultation with the Council's representatives to a decent level of cost certainty to enable firm pricing to be agreed. Following the negotiation and agreement between AECOM and the contractor of an acceptable price, the basis and recommendation for a Works contract will be reported on by AECOM, for acceptance by the Council. If a satisfactory price cannot be agreed with the contractor, the contractor's appointment will continue no further and there will be no further cost liability to the Council, other than the potential issue of having to seek an alternative contractor, although this is low risk.

Building Consultancy has met with all the contractors to review the designs and the feedback from this meeting was positive. Following discussions with CCBC Procurement it has been agreed that a further meeting will be held with contractors prior to issuing tender documents to ensure the level of interest is maintained in the project, and the contractors are forewarned so that adequate resources are allocated to the tender period.

Following the appointment of the design and build contractor, the second stage will further consider opportunities to reduce costs within the project. However, there is a minimum space requirement for a functional school and the project team agrees that the current design is currently at the lower end of the recommended space provision for the school elements. The area designed for the ALN reflects the area identified in consultations to date.

6. Programme

Currently the programme shows completion in December 2016, which is later than the required date of September 2016. In order for the school to open on the new site in September 2016 the construction and fit-out would need to finish in mid August 2016 at the latest and given where we are at present this is now very unlikely to be achievable. The construction period for a development of this size and nature is in the region of 18-20 months.

A copy of the current programme is included within the main body of the report.

7. Risk

The draft site investigation report has recently been submitted to the Council's Engineering section and has highlighted a number of issues that need to be resolved, specifically:

- Treatment of Japanese knot weed on site
- Requirement for retaining walls
- Requirement for deep foundations

- Potential for ventilation to deal with gas from the ground fill
- A large amount of surface water attenuation on the site

With the exception of the deep foundations and ventilation matter, the initial cost plan makes some allowance for these issues and the project team is now undertaking reviews to establish the full extent and any implications on the project cost of the draft report recommendations.

It is recommended that a project risk work shop is organised to include all key stake holders to identify the significant strategic risks to the project and develop a strategy for the resolution of the risks.

7. Consultation

Consultation with the schools will be essential to refine the approved design submitted to Cabinet for approval. This will be led by Education with support from AECOM and will include Governors, staff, pupils, parents and relevant local councillors and members. It is recommended that as soon as is possible a single point of consultation is appointed for the two schools and is given the authority to review design proposals and inform the design process. This individual will work with the design team to determine critical issues such as the ICT strategy, subject pedagogy, dining strategies, staff resource etc.

Previous experience has shown that this avoids late changes in the design due to new personnel becoming involved. Whilst it is understood that this is not a straight forward process it is a central component to the successful delivery of the school project and ensures ownership of the building from day one.

8. Recommendation

Based on all the available information to date, it is AECOM's recommendation that the Authority proceed with option 3 as developed by Building Consultancy and that they ensure the development of this design along with the associated engineering solutions, including structural, civil, mechanical and electrical systems meets the current programme dates. This will ensure that a robust package is developed to enable the successful contractor can take the design forward to develop a final design and cost certainty.

The Authority need to understand the existing project risks, particularly in relation to the current cost plan and the programme, both of which exceed the Authorities initial estimates. Approval is required to proceed with the first stage tender and the appointment of the successful contractor utilising a Professional Services Contract. This will limit the Authorities exposure as the contractor will only be contracted to develop the design and agree a cost for the works.

AECOM recommend the use of NEC Option C (Target cost) with an option to switch to Option A (Lump sum with activity schedule) if later discussion concludes agreement that an Option A contract would provide better value for money.

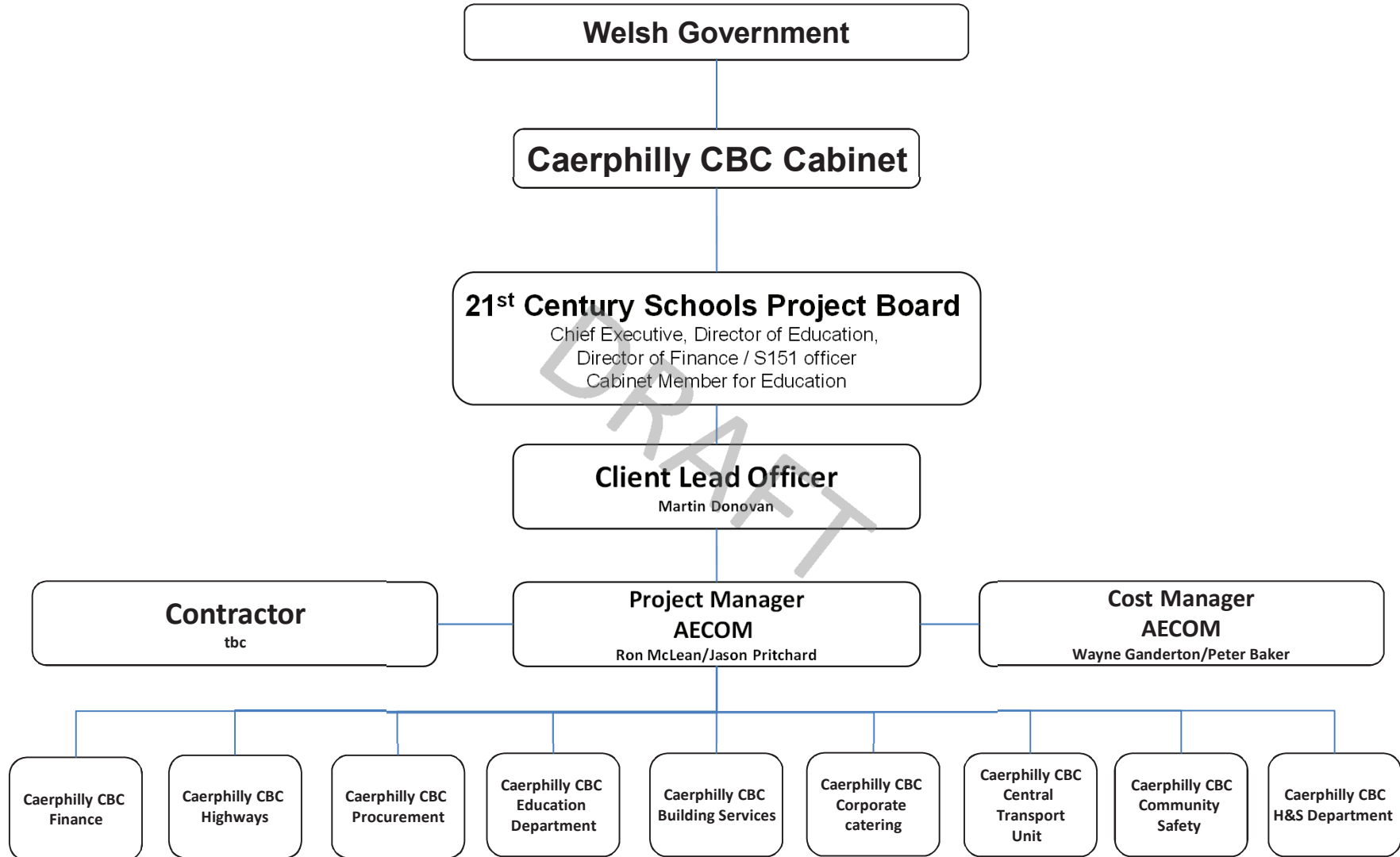
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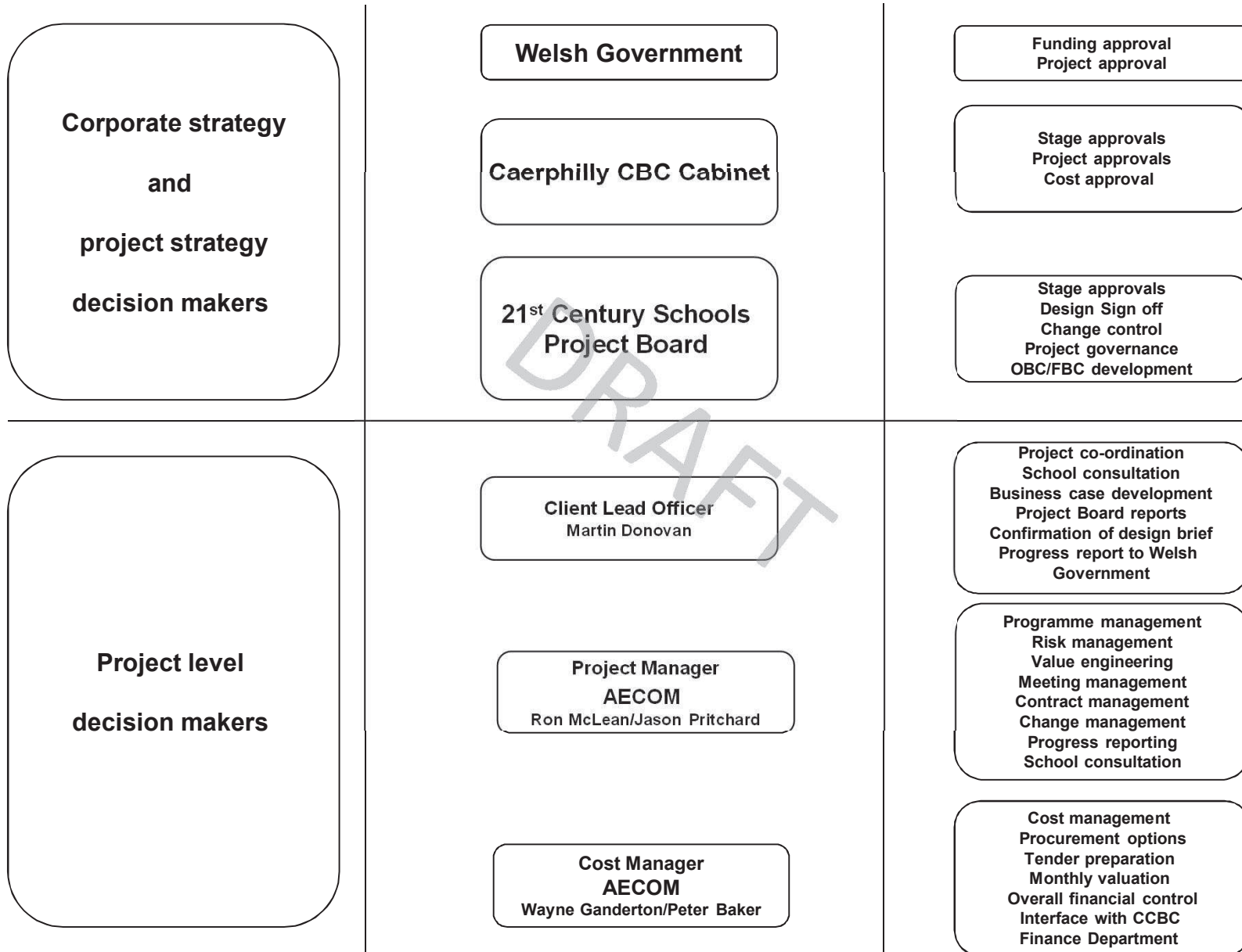
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Islwyn West Secondary School
Project Responsibilities



**Caerphilly CBC
Building Consultancy**

- Architectural services to develop building solution appropriate for the site and within the budget allowance
- Development of structural solution
- See works responsibility matrix for detailed services
- Development of M&E performance specification
- Planning review prior to hand over
- Development of outline room data sheets
- Commissioning of site specific surveys – SI, ecology, acoustic survey
- BREEAM pre assessment
- CDM-C
- Initial internal road and car parking layouts
- Development of external layouts including 3G pitch, external play areas

**Caerphilly CBC
Education
Department**

- Development of FFE requirements for new build
- Development of ICT strategy for new build
- Finalisation of consultation in association with Client Lead officer and Project Manager
- Definition of pupil numbers and ALN requirements
- Interface with Life Long Learning/Adult Education
- Interface with Central Transport Unit

**Caerphilly CBC
Procurement**

- Definition of tender requirements
- Tender verification
- Tender returns
- Compliance

**Caerphilly CBC
Finance**

- Financial submissions/reports to Welsh Government
- Contractor payments based on monthly valuation recommendations
- Financial profiling

Islwyn West Secondary School
Project Responsibilities



**Caerphilly CBC
Highways**

- Drainage interfaces
- Review of Internal road layouts

**Caerphilly CBC
Community
Safety**

- Safer routes in communities

**Caerphilly CBC
H&S Department**

- Review of fire risk assessments
- Car parking and bus drop off provision
- Kitchen provision

**Caerphilly CBC
Corporate
catering**

- Kitchen specification and layouts
- Interface with design team and contractor
- Dining hall review and provision – review of seating numbers and sittings
- Deliveries and waste

**Caerphilly CBC
Central
Transport
Unit**

- Transport provision and review of drop off

Islwyn West Secondary School
Works Responsibility Matrix

	Pre Contractor Appointment		Design services provided by Contractor		
	Design Intent	Tender Specification NBS or Performance Specification	Develop detail to Accord with Design Intent	Final Specifications & Working Drawings	As Built Information
Works Package	RIBA Stage 2 Concept Design	RIBA Stage 3 Developed Design	RIBA Stage 4 Technical Design	RIBA Stage 5 Construction	RIBA Stage 6 Handover
Foundations	CCBC in house team (with support from external consultants)	CCBC in house team (with support from external consultants)	Contractor	Contractor	Contractor
Groundworks including drainage & external works	CCBC in house team (with support from external consultants)	CCBC in house team (with support from external consultants)	Contractor	Contractor	Contractor
Structural steelwork including metal deck	CCBC in house team (with support from external consultants)	CCBC in house team (with support from external consultants)	Contractor	Contractor	Contractor
Brickwork / blockwork	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Concrete and re-bar to metal deck floors	tbc	tbc	Contractor	Contractor	Contractor
Pre-cast concrete or metal stairs	tbc	tbc	Contractor	Contractor	Contractor
Structural Framing Systems	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
External cladding	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
External wall	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Co-ordination with structures in relation to external walls	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Curtain walling	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Windows/Non integrated curtain walling	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor

Islwyn West Secondary School
Works Responsibility Matrix

	Pre Contractor Appointment		Design services provided by Contractor		
	Design Intent	Tender Specification NBS or Performance Specification	Develop detail to Accord with Design Intent	Final Specifications & Working Drawings	As Built Information
Works Package	RIBA Stage 2 Concept Design	RIBA Stage 3 Developed Design	RIBA Stage 4 Technical Design	RIBA Stage 5 Construction	RIBA Stage 6 Handover
Plant room louvres	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
External doors	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Steel doors and roller shutters	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Ironmongery	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Roof lights	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Aluminium louvres/Brise Soleil	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Glass canopies	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Floors, lift shafts and pc concrete stairs	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Secondary steelwork	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Sundry steelwork/metalwork (stairs, balustrades etc.)	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Metal roof/cladding system (including access systems i.e. Mansafe)	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Gutters and downpipes	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor

Islwyn West Secondary School
Works Responsibility Matrix

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Works Package	RIBA Stage 2 Concept Design	RIBA Stage 3 Developed Design	RIBA Stage 4 Technical Design	RIBA Stage 5 Construction	RIBA Stage 6 Handover
Groundworks/ underground waterproofing including lift pits and retaining walls	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Above ground waterproofing including dpm & dpc	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Structural screeds	tbc	tbc	Contractor	Contractor	Contractor
Screeding including insulation	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Internal plasterboard, dry lining, partitioning, including detailing/ balustrades	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Architectural metalwork	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Glazed internal partitions	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Sliding folding partitions	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Interior design wall and edge protection	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Reception desks	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Carpentry and joinery	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor

Islwyn West Secondary School
Works Responsibility Matrix

	Pre Contractor Appointment		Design services provided by Contractor		
	Design Intent	Tender Specification NBS or Performance Specification	Develop detail to Accord with Design Intent	Final Specifications & Working Drawings	As Built Information
Works Package	RIBA Stage 2 Concept Design	RIBA Stage 3 Developed Design	RIBA Stage 4 Technical Design	RIBA Stage 5 Construction	RIBA Stage 6 Handover
Acoustic strategy	tbc	tbc	Contractor	Contractor	Contractor
Acoustic treatments including wall and floor panelling	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Flat roofing	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
External timber soffits	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Rainwater goods	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Mastic sealing	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Ceilings	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Tiling - floor and walls	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Floor finishes including sheet flooring, carpet tiles, ceramic floor tiling	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Whiterock cladding	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Lifts	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Non specialist fitted furniture	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Internal decorations	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Statutory signage	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Mechanical and Electrical Services	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor

Islwyn West Secondary School
Works Responsibility Matrix

	Pre Contractor Appointment		Design services provided by Contractor		
	Design Intent	Tender Specification NBS or Performance Specification	Develop detail to Accord with Design Intent	Final Specifications & Working Drawings	As Built Information
Works Package	RIBA Stage 2 Concept Design	RIBA Stage 3 Developed Design	RIBA Stage 4 Technical Design	RIBA Stage 5 Construction	RIBA Stage 6 Handover
Sprinkler systems	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Rainwater harvesting systems	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Fire strategy	tbc	tbc	Contractor	Contractor	Contractor
Fire protection	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Fire stopping	–	–	Contractor	Contractor	Contractor
Air sealing/testing	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Internal glazed doors/screens	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Sanitary ware/IPS	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Blinds	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Cast in inserts in structural members	tbc	tbc	Contractor	Contractor	Contractor
Non civil engineering external hard landscaping	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Works to Adoptable Highways	–	–	Contractor	Contractor	Contractor
Highway Adoption process	–	–	Contractor	Contractor	Contractor
External furniture	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
External soft landscaping including specialist pitches	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor

Islwyn West Secondary School
Works Responsibility Matrix

	Pre Contractor Appointment		Design services provided by Contractor		
	Design Intent	Tender Specification NBS or Performance Specification	Develop detail to Accord with Design Intent	Final Specifications & Working Drawings	As Built Information
Works Package	RIBA Stage 2 Concept Design	RIBA Stage 3 Developed Design	RIBA Stage 4 Technical Design	RIBA Stage 5 Construction	RIBA Stage 6 Handover
Mastic pointing	-	-	Contractor	Contractor	Contractor
Fencing and gates	CCBC in house team	CCBC in house team	Contractor	Contractor	Contractor
Catering kitchen installation and canopies	tbc	tbc	Contractor	Contractor	Contractor
Food Technology benching	tbc	tbc	Contractor	Contractor	Contractor
Food Technology equipment installations	tbc	tbc	Contractor	Contractor	Contractor
Science laboratories benching	tbc	tbc	Contractor	Contractor	Contractor
Science laboratories equipment installations	tbc	tbc	Contractor	Contractor	Contractor
Resistant Materials benching	tbc	tbc	Contractor	Contractor	Contractor
Resistant Materials equipment installations	tbc	tbc	Contractor	Contractor	Contractor
Sports Hall / Activity Studio equipment fit out - fixed	tbc	tbc	Contractor	Contractor	Contractor
Sports Hall / Activity Studio equipment fit out - loose	tbc	tbc	Contractor	Contractor	Contractor
School stage design	tbc	tbc	Contractor	Contractor	Contractor

Islwyn West Secondary School
Works Responsibility Matrix

	Pre Contractor Appointment		Design services provided by Contractor		
	Design Intent	Tender Specification NBS or Performance Specification	Develop detail to Accord with Design Intent	Final Specifications & Working Drawings	As Built Information
Works Package	RIBA Stage 2 Concept Design	RIBA Stage 3 Developed Design	RIBA Stage 4 Technical Design	RIBA Stage 5 Construction	RIBA Stage 6 Handover
Audio/visual installations and stage curtains installation	tbc	tbc	Contractor	Contractor	Contractor
Induction loops and SEN sound systems	tbc	tbc	Contractor	Contractor	Contractor
Sensory room fit out (ALN)	tbc	tbc	Contractor	Contractor	Contractor
Smart board/TV installations	tbc	tbc	Contractor	Contractor	Contractor
Shelving and racking	tbc	tbc	Contractor	Contractor	Contractor
Library book security systems	tbc	tbc	Contractor	Contractor	Contractor
Other fixed furniture	tbc	tbc	Contractor	Contractor	Contractor
Loose furniture	tbc	tbc	Contractor	Contractor	Contractor
Fire risk assessment and fire fighting equipment - extinguishers/blankets etc.	tbc	tbc	Contractor	Contractor	Contractor
ICT - wifi access point installation and active equipment	tbc	tbc	Contractor	Contractor	Contractor

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CABINET – 1ST OCTOBER 2014

SUBJECT: WORKFORCE FLEXIBILITIES

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151 OFFICER

-
- 1.1 This report is seeking the approval of Cabinet on the draft policy details and options for a range of schemes to allow workforce flexibility to meet the challenges of the Medium Term Financial Plan (MTFP). Policy & Resources Scrutiny Committee has considered proposals to establish new arrangements for the introduction of Early Retirement, Flexible Retirement, Voluntary Severance and Redundancy Schemes. It should be noted that a common feature of the schemes are that there will be no automatic right for individuals to access these schemes, they will be entirely at the Council's discretion and subject to a viable business case.
- 1.2 Members of Policy & Resources Committee considered the reports at its meetings on the 3rd of June 2014 and 5th of August 2014. Having considered the content of the reports, P & R Scrutiny Committee endorsed the principle of introducing the schemes.
- 1.3 Policy & Resources Scrutiny recommended to Cabinet that the schemes be adopted subject to the following criteria.
1. **Early Retirement Scheme**

The scheme utilises a provision within the LGPS regulations that permits CCBC as the employer to allow a retirement on mutual grounds in the interests of the efficiency of the service. This is a discretion that exists within the Pension regulations, which CCBC has not to date exercised, and requires Council approval. Cabinet is therefore requested to recommend to Council that this discretion is exercised.
 2. **Flexible Retirement Scheme**

The scheme be approved with the following criteria:

 - Where there is a reduction in hours, this be to a minimum of 40% of contract hours;
 - Where there is a reduction in grade, this be to a minimum of 2 grades;
 - The period of flexible retirement is time limited to 6 months (extended by 3 months in exceptional circumstances only).

The scheme utilises a provision within the LGPS regulations that permits CCBC as the employer to allow flexible retirement. This is a discretion that exists within the Pension regulations, which CCBC has not to date exercised, and requires Council approval. Cabinet is therefore requested to recommend to Council that this discretion is exercised.
 3. **Voluntary Severance Scheme**

The scheme be approved with the following criteria:

 - Severance payment is set at the level of 60% of a years salary;
 - Recommendation to cap the severance payment at the top of the Hay Grade C scale (£53,533) i.e. the maximum possible severance payment would be £32,120.

4. **Redundancy Scheme**

The scheme be approved to include the revised wording with regard to the payments to employees.

1.4 It is stressed that there is no intention to have a general application of these various options or to issue a blanket invitation to staff to be considered for any of the schemes. They are merely options which the council needs to have in place should the necessity arise in some service areas as the impact of the impending budget reductions takes effect the next few years.

1.5 Members are invited to consider the reports and the above recommendations.

Author: Gareth Hardacre, Head of Workforce and Organisational Development

Appendices:

Appendix 1	Report to P&R Scrutiny – 3rd of June 2014
Appendix 2	Report to P&R Scrutiny – 5th of August 2014
Appendix 3	Draft Early Retirement Scheme
Appendix 4	Draft Flexible Retirement Scheme
Appendix 5	Draft Voluntary Severance Scheme
Appendix 6	Revised Redundancy Scheme

POLICY AND RESOURCES SCRUTINY COMMITTEE – 3RD JUNE 2014

SUBJECT: PROPOSED CHANGES TO THE COUNCIL'S RETIREMENT AND SEVERANCE ARRANGEMENTS

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151 OFFICER

1. PURPOSE OF REPORT

- 1.1 To consult with Members on the principles contained with the proposed introduction of an early retirement scheme by mutual consent on the grounds of business efficiency.

2. SUMMARY

- 2.1 Members will be aware that Cabinet on the 30th April 2014 gave permission to work up detailed proposals for a range of workforce planning tools to assist with managing the Medium Term Financial Plan.
- 2.2 Contained within the attached scheme documents are draft arrangements for the introduction of an early retirement scheme. These will be effective for all employees who are members of the Local Government Pension Scheme (LGPS).

3. LINKS TO STRATEGY

- 3.1 These workforce measures link to the People Management Strategy and therefore to all other strategies, including all equality strategies, policies and procedures, which rely on employees to deliver the strategy and service provision. Being able to balance our budgets to meet the challenges of the Medium Term Financial Plan will require a reduction in our workforce budgets.

4. THE REPORT

- 4.1 There are a number of valid reasons why exploring additional flexibilities in its Workforce Strategies would be of value to the Council. These include (but are not limited to):
- Be an effective means to reduce capacity
 - Help to avoid redundancies and the associated strain on Fund pension costs and redundancy payment/compensation costs
 - Enable the employer to retain or attain a balanced age profile within the workforce
 - Enable the transfer of skills/knowledge
 - Offer the opportunity of better succession planning and mentoring
 - Facilitate the retention of expertise, knowledge and contacts
 - Offer an acceptable solution to staff who are currently a blockage to promotion or

reorganisation

- Help alleviate stress or 'burn out'
- Improve morale
- Assist staff to ease down into retirement and make a gradual adjustment to life without paid employment

4.2 Officers have worked up detailed proposals for consultation. Specifically permission is sought to explore in more detail proposals in relation to an Early Retirement Scheme (Appendix 1)

4.3 Due to changes in the LGPS arrangements from the 1st of April 2014, additional flexibility is being sought allowing early retirement options. Once details of the scheme are finalised through the consultation process, a final check will be made with Torfaen Pensions to ensure that the scheme can operate as intended.

4.4 Proposals brought forward would require modification to the Council's Discretionary arrangements and Retirement and Redundancy arrangements under the Local Government Pension Scheme. This will ultimately require Council Approval, once the details of the policies have been agreed.

5. EQUALITIES IMPLICATIONS

5.1 This report is requesting approval to develop arrangements in line with the principles laid down; as such the Council's Equalities Impact Assessment (EqIA) process does not need to be applied at this stage. A Policy will have potential equalities implications, and this will be considered when a formal policy is brought forward for approval.

6. FINANCIAL IMPLICATIONS

6.1 Whilst there are no quantifiable financial implications for the Authority in introducing a scheme, there may be financial implications in individual cases. A common feature of the schemes proposed for introduction, are that viable and robust business cases in the authorities interest would be required, prior to approval.

7. PERSONNEL IMPLICATIONS

7.1 The introduction of this scheme will have personnel implications for the authority and individuals as laid out in the scheme details. The additional flexibility of such a scheme will assist with the need to reduce our headcount.

8. CONSULTATIONS

8.1 Consultation has been undertaken with management, employees and Trades Unions. In addition Torfaen Pensions have been consulted to ensure that the arrangements are permissible under the new scheme.

8.2 The Trades Unions are supportive of the principles involved. The Trades Unions would like for us as the employer to provide support with financial advice. However given the legal and financial issues involved it is not proposed that we provide this assistance directly. This will be a responsibility of the individual employee.

9. RECOMMENDATIONS

9.1 That Members consider the detail provided in the attached draft scheme, and provide their views for consideration by Cabinet as part of the consultation process.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To provide additional flexibility in managing our workforce more effectively in the current financial climate.

11. STATUTORY POWER

- 11.1 Local Government Pension Scheme Regulations 2014.
Local Government Act, 1972.

Author: Gareth Hardacre, Head of Workforce & OD
Consultees: Corporate Management Team
Pensions Manager, Torfaen County Borough Council
Cabinet Member for HR & Constitutional Affairs
Trade Unions

Appendices:
Appendix 1 – Draft Early Retirement Scheme

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POLICY AND RESOURCES SCRUTINY COMMITTEE – 5TH AUGUST 2014

SUBJECT: WORKFORCE FLEXIBILITIES

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151 OFFICER

1. PURPOSE OF REPORT

- 1.1 This report is seeking the views of Members of Policy and Resources Scrutiny Committee on the draft policy details and options for a range of schemes to allow workforce flexibility to meet the challenges of the Medium Term Financial Plan (MTFP), prior to referral to Cabinet.

2. SUMMARY

- 2.1 On the 30th April 2014, Cabinet gave permission to develop detailed proposals for a range of workforce planning tools. These proposals are to assist the Council, Members and Officers with managing the challenges of the MTFP. Members will also be aware from the report to Cabinet on 16th July 2014, that the financial predictions previously provided by Welsh Government have significantly worsened. The impact is likely to be that the Council will need to downsize the workforce in greater numbers than previously estimated and in a shorter timescale.
- 2.2 Contained within the attached report and documents are draft proposals for the introduction of a Flexible Retirement Scheme, Voluntary Severance Scheme, Redundancy Scheme (which includes both Voluntary and Compulsory Redundancy situations), along with the Early Retirement Scheme, which Committee considered on 3rd June 2014.
- 2.3 It should be noted that Wales Audit Office has conducted a recent review of severance packages and payments. There is a duty on the Council as a public body to ensure that the severance arrangements and costs are proportionate and defensible against public scrutiny. There is also the need to ensure that the costs of severance (by whichever means) are not so excessive as to necessitate the departure of greater numbers of employees in order to recover the costs.

3. LINKS TO STRATEGY

- 3.1 These workforce measures link to the People Management Strategy and therefore to all other strategies, including all equality strategies, policies and procedures, which rely on employees to deliver the strategy and service provision.
- 3.2 Being able to balance the Council's budget to meet the challenges of the MTFP will inevitably require a reduction in the workforce.
- 3.3 Members are reminded of the strategies such as the Passport Programme to address the

demographic profile of the Council with 30% of employees being over 50 years old. (See Appendix 1).

4. THE REPORT

- 4.1 Members will be aware that Cabinet on 30th April 2014, gave permission to develop detailed proposals for a range of workforce planning tools to assist with managing the MTFP. The intended date of implementation for these schemes is 1 January 2015.
- 4.2 This Report and the attached Appendices set out proposals for the introduction of a Flexible Retirement Scheme (Appendix 3), Voluntary Severance Scheme (Appendix 4), Redundancy Scheme (Appendix 5) along with the Early Retirement Scheme (Appendix 6), which was considered previously by Committee on 3rd June 2014.
- 4.3 In addition to the above, the 85 Year Rule arrangements can still be used to provide flexibility within the workforce. However, this option will begin to taper off from 2016 and will be removed totally in 2020. The amount of actuarially reduction in 85 year rule cases is specific to each employee, based on their age and length of service. There may be a cost to the Council in 85 year rule cases. This is again dependent on the individual's personal circumstances.
- 4.4 When considering this report and the options in the schemes, Members are reminded to review the demographic profile of the workforce in Appendix 1 and consider the potential opportunities this may create in the light of the Medium Term Financial Plan requirements.
- 4.5 Those employees who are not members of the Local Government Pension Scheme (LGPS) would not benefit from the parts of the schemes where there is an enhancement to pension. However, they will be able to access the voluntary severance scheme and they will also be entitled to receive a payment in accordance with the proposed Redundancy Scheme.
- 4.6 The introduction of the proposed schemes will be underpinned by a business case methodology i.e. each application will need to be supported by a business case for each individual employee. The business case will ensure that careful consideration is given to whether the service can still be effectively delivered if the business case is agreed and whether the savings can be achieved in a short timescale in order to balance the budget of the Authority. Consideration will also need to be given as to whether the service can make the business case to allow an employee to leave, when there are pension costs attached which can be significant.
- 4.7 The Council's recognised Trade Unions have been consulted and provided with the same information as the Scrutiny Committee on the schemes. There is broad agreement on the implementation of the schemes, but there are a number of specific details in the schemes on which recommendations from Members are sought prior to the referral to Cabinet.
- 4.8 The following paragraphs summarise the key areas where Elected Members' views are sought.

Flexible Retirement Scheme (Appendix 3)

Principles

- 4.9 Members have previously considered and supported the development of a Flexible Retirement Scheme. The Flexible Retirement Scheme will allow an employee to reduce their hours and / or their grade by an agreed amount and draw part, or all of their pension in the final year(s) of their employment. Whether the pension is actuarially reduced will be dependent on the employee's age and length of service. When the employee takes an actuarial reduction, then there could still be a small cost to the Authority. However, this is

significantly less than paying a pension 'top up'. Three examples of flexible retirement scenarios can be seen in Appendix 2 regarding a reduction of 20% of hours on a full time equivalent salary.

- 4.10 It is recognised that due to the nature of how Flexible Retirement works, it will have limited impact in achieving the savings required in the MTFP. It is recognised, however, that where it is necessary for services to meet ongoing efficiency savings, this may be a viable option that will contribute to the saving, as Flexible Retirement is a means of supporting workforce planning and ensuring key skills, knowledge and experience are not lost when the employee retires.
- 4.11 There is potential for the Flexible Retirement scheme to be considered to be discriminatory as it applies only to employees over 55. The availability of access to pension benefits derives from the Local Government Pensions Regulations and therefore the Council will make all reasonable efforts to offer its employees a flexible benefits package that is the most advantageous possible and, on the balance of probabilities, the package would have the desired beneficial effect on recruitment and retention. The arrangements could not be achieved in any less discriminatory way.

Options for Members' Consideration and Recommendation.

Time periods

- 4.12 A recommendation is sought on the flexible retirement period and whether this should be time limited.
- 4.13 If the period of flexible retirement is not time limited, an employee may need to be made redundant at a later date. This would incur further costs to the Council in terms of possible pension top up and redundancy pay.
- 4.14 Should there be a recommendation to time limit the flexible retirement period then a subsequent recommendation on the length of that period is required. If the period of time can be agreed at the beginning of the flexible retirement period, then the handover can be structured. Without an agreed timeline the service area will be unable to plan the workforce effectively, ensure knowledge and skills are passed effectively to other employees and identify when potential savings can be made.
- 4.15 Therefore, it is recommended that the period of flexible retirement is time limited with the maximum period an employee can work flexibly being 6 or 12 months. There is also the opportunity for this to be a longer time period. Discussions with the Trade Unions have identified that 6 months would be reasonable, having regard to the revised budgetary position that the Council is facing. Officers support this view and both parties feel that it should be possible to pass on the skills and knowledge of the postholder to a successor within a 6 month time frame. It would also be more effective in the context of the MTFP to support the Council to achieve the required savings targets within a limited timeframe.
- 4.16 However, Members may wish to consider whether there is a need to include an option to extend the period of flexible retirement by a further 3 or 6 months in exceptional cases.

Reduction in Contract Hours

- 4.17 A further element of the Flexible Retirement Scheme that needs to be considered is a reduction in hours. Recommendations are therefore sought on the percentage of hours reduction.
- 4.18 The reduction in hours could be a minimum of 20%, 40% or 60%, for example. For employees working full time this would be one, two or three day reduction. The recommendation from officers, with the support of the Trade Unions, is that this should be a

minimum of 40% of the employee's contractual hours.

Grade

- 4.19 A further consideration within the Flexible Retirement Scheme is the opportunity to reduce the grade of employees instead of or in addition to a reduction in hours. In terms of grade, consideration needs to be given to a permitted maximum level of reduction, for example, one, two or more grades. The recommendation to Members, endorsed by the Trade Unions is a reduction of two grades without the need for a reduction in hours. This reduction of grade will not be subject to the Council's salary protection as per the Redeployment Policy.

Voluntary Severance Scheme (Appendix 4)

Principles

- 4.20 Members will recall that they have previously agreed to a Voluntary Severance Scheme being developed at the Scrutiny meeting held on 4 December 2013, when considering the workforce strategies for the Medium Term Financial Plan. The proposed scheme at Appendix 4, will allow employees to voluntarily leave the employment of the Council with a lump sum payment as compensation for their employment ending. Any employee applying to leave under this Scheme will not enter the Council's Redeployment Pool, thus reducing the costs to the Council. There will be no pension release costs to the Council as the employee will not have been declared redundant. (A declaration of redundancy triggers pension release to any LGPS member over 55 years of age, which the council has to fund). Employees aged 55 and over are able to access their pension, but this may be on an actuarially reduced basis, in accordance with the Pension Regulations.
- 4.21 The proposed Voluntary Severance Scheme is likely to provide the quickest opportunity for services to make budgetary savings in accordance with the MTFP. The business cases will need to cover the cost of the severance payment within the year of the employee leaving. However, any decisions with regard to voluntary severance will need to be balanced with the ability to continue to provide a required level of service.

Options for Members' Consideration and Recommendations

Level of Severance

- 4.22 A recommendation is sought on what level of severance payment should be offered within the scheme. Options include whether this payment should be a percentage of annual salary e.g. 50%, 60% or 70% etc, or an alternative value. It should be noted that the payments may be made gross it is compensation for loss of office rather than a Payment in Lieu of Notice. There is a £30,000 exemption available for termination payments with regard to the payment of Income Tax and National Insurance. A balance is needed between making the payment attractive enough to encourage volunteers but also it being affordable to the Council, whilst supporting the continuation of service delivery.
- 4.23 From an officer perspective, the recommendation would ideally be a voluntary severance payment of 50% but a maximum of 60% of an employee's salary could still achieve the MTFP savings. The Trade Union perspective would be to secure the best outcome for their members but there is an understanding by the Trade Unions of the unprecedented financial challenges the Authority faces.
- 4.24 The levels suggested above i.e. 50% or 60%, would allow savings to be delivered within a year of being agreed. This scheme could provide the most opportunities to downsize the organisation more quickly to meet the MTFP requirements.

Maximum Payment

- 4.25 A further recommendation is sought from Members as to whether to cap the voluntary severance payment, e.g. the maximum payment to be held at the top of the Hay Grade C scale i.e. £53,533. The practical effect of a cap of this nature would result in any officers employed on a higher grade would have a maximum of the percentage agreed under the scheme paid at the top of the Hay C grade. This could avoid a potential criticism where this could be viewed as a benefit to more Senior Officers. This is supported by the Trade Unions.

Redundancy (Appendix 5)

Principles

- 4.26 If other options of early / flexible retirement and voluntary severance are exhausted, then the Council is in the position of having to consider invoking a redundancy situation. The Redundancy Scheme will give employees the opportunity to volunteer for redundancy rather than automatically invoking a formal selection process for compulsory redundancy. This may in turn allow savings to be made in a more timely manner and also limit the numbers of compulsory redundancies.
- 4.27 Employees are at risk of compulsory redundancy if a service area has to downsize significantly and there are not enough volunteers to leave under one of the other schemes or if a decision is made to no longer deliver a service and those employees cannot be redeployed.
- 4.28 Members should note that whether employees volunteer for redundancy or are made compulsory redundant, in accordance with the Council's Scheme, they currently attract the same level of payment.
- 4.29 The redundancy payment is based on the Statutory Redundancy Calculator and depends on the employee's age and service. For employees aged 55 and over, their pension would be automatically released at an unreduced rate, which is a cost to the Council and they would also receive a payment up to a maximum of 30 weeks at their weekly occupational salary level. For employees under 55 years of age, there are no pension release costs and the redundancy payment is made based on the Statutory Redundancy Calculator multiplied by two up to a maximum of 60 weeks at their weekly occupational salary level
- 4.30 The wording of the payments agreed by the Council in 2010 was not clear in terms of the amounts paid to those employees who were over 60 and can access their pension at an unreduced rate, without a cost to the Authority. Members should note the wording within the proposed scheme regarding single and double redundancy has been clarified to ensure that it complies with the Equality Act 2010 and to make it easier for employees to understand. The Trade Unions are supportive of this approach.
- 4.31 It is important to bring to Members attention that in section 193 of the Trade Union and Labour Relations (Consolidation) Act 1992 provides that depending on the number of employees to be made compulsorily redundant, the Council needs to notify the Redundancy Payments Service and undertake a full redundancy consultation exercise. This would impact on the timelines of how quickly the savings could be achieved. If between 20 and 99 employees are being made compulsory redundant, the minimum consultation period is 30 days. For 100 employees or more, the minimum consultation period is 45 days.
- 4.32 Prior to being made compulsory redundant, an employee will also have up to 24 weeks in the Council's Redeployment Pool depending on their length of service, so these costs would need to be factored into any business case.
- 4.33 The Redundancy scheme could be considered to be discriminatory as it applies to those who are able to access pension benefits, which is based on age. However, the Council considers

that the scheme is a proportionate means of achieving a legitimate aim. The legitimate aims of the Council are staff retention, workforce planning and dignity as set out in the Council's People Strategy and Strategy for Older People.

- 4.34 As with the Flexible Retirement Scheme, the availability of access to pension benefits derives from the Local Government Pensions Regulations and therefore the Council will make all reasonable efforts to offer its employees a flexible benefits package that is the most advantageous possible and, on the balance of probabilities, the package would have the desired beneficial effect on recruitment and retention. The arrangements could not be achieved in any less discriminatory way.
- 4.35 The Council is also mindful that employees who are able to access their pensions would receive a windfall as they would otherwise receive both their pension and a contractual redundancy payment (this follows the Employment Appeal Tribunal case of *Loxley v BAE Systems* UKEAT/0156/08.) The Council has a legitimate aim of ensuring that older employees did not receive more than they could have earned had they remained employed until retirement age (this is in accordance with the case of *Kraft Food UK Ltd v Hastie* UKEAT/0024/1.)
- 4.36 There has been some debate with the Trade Unions recently as to the Redundancy Selection Criteria agreed within the Council. It would be helpful to review this at this time with the Trade Unions to clarify their concerns and negotiate an agreed criteria to propose to Cabinet.

Options for Members' Consideration and Recommendations

- 4.37 A recommendation is sought from Members to support the revised wording in the scheme with regard to the payments to those employees who are over 60 and can access their pension at an unreduced rate, without a cost to the Authority.
- 4.38 A recommendation is sought from Members to support consultation with the Trade Union to clarify their concerns with regard to the Redundancy Selection Criteria and negotiate an agreed criteria to propose to Cabinet.
- 4.39 Members may also wish to consider whether they would like officers to consult with the Trade Unions and draw up options for alternative levels of payment for redundancy to support the MTFP. This would involve a change to employee's terms and conditions.

5. EQUALITIES IMPLICATIONS

- 5.1 There are a number of Equalities implications that must be recognised in order for a full and proper consideration of the options to be made. It is likely that despite these issues, difficult decision will have to be made, however these implications must be recognised and understood as part of the process.
- 5.2 There is potential for certain elements of the proposed schemes to be considered as discriminatory, such as the flexible retirement scheme only applying to those employees over 55, the time limit on the flexible retirement scheme and the capping of voluntary severance payments at a certain amount. However, the proposed schemes are a proportionate means of achieving legitimate aims of the Council, specifically in this case staff retention, workforce planning and dignity as set out in the Council's People Strategy and Strategy for Older People.
- 5.3 The proposed schemes that link to the Council's strategies to address the skewed demographic profile of the Council with 30% of employees being over 50 years old could be considered discriminatory. However, the proposed schemes are a proportionate means of achieving other legitimate aims, as set out in the Council's People Strategy and Children and Young People's Plan as well as Equality Objective 6 of the Equality and Welsh Language

Objectives and Action Plan 2012-2016 to create a diverse workforce. There is a specific public interest in the Council ensuring this diversity, as it is one of the largest employers in the area.

- 5.4 The Senior Policy Officer (Equalities and Welsh Language) and HR officers have ensured that equalities considerations have been taken into account when drafting or revising the policies, and amendments/additions made where relevant and appropriate. Each business case underpinning the scheme will be assessed separately and the equality implications considered on a case by case basis.

6. FINANCIAL IMPLICATIONS

- 6.1 Whilst there are no quantifiable financial implications for the Authority in introducing the proposed schemes, there will be financial implications in individual cases. A common feature of the schemes proposed for introduction, are that viable and robust business cases in the Authority's interest would be required, prior to approval. The key features being the level of cost and the payback period to realise the financial saving.

7. PERSONNEL IMPLICATIONS

- 7.1 There are significant personnel implications. The introduction of the schemes will have personnel implications for the Authority and employees as laid out in the scheme details. The additional flexibility of such schemes will assist with the need to reduce headcount and help meet the requirements of the Medium Term Financial Plan.

8. CONSULTATIONS

- 8.1 Responses to date are reflected in the report. The Trade Unions have been consulted on the workforce strategies for the Medium Term Financial Plan and they have agreed to the broad principles of the schemes. Members are advised that this is an ongoing consultation process with the Trade Unions and further consultation will take place with them following recommendations from Members.

9. RECOMMENDATIONS

- 9.1 It is recommended that Policy and Resources Scrutiny Committee note the content of this report and provide their views on the options outlined in the report in order to inform the consultation process prior to the final schemes being drawn up and reported to Cabinet on 29 October 2014.
- 9.2 The recommendation from officers based on the consultation responses including the Trade Unions is:
- Flexible Retirement**
- 9.3 In line with paragraph 4.15, the recommendation for the period of flexible retirement is 6 months (with a 3 month extension in exceptional circumstances.)
- 9.4. In line with paragraph 4.18, the recommendation with regard to the reduction in hours is a minimum of 40% of the employee's contractual hours.
- 9.5 In line with paragraph 4.19, the recommendation is a reduction of two grades without the need for a reduction in hours.

Voluntary Severance

- 9.6 In line with paragraph 4.23, the recommendation is ideally a voluntary severance payment of 50% of an employee's salary with the cap set out at paragraph 9.7 below. (Members should note that 60% is achievable and preferred by Trade Unions as set out in 4.24)
- 9.7 In line with paragraph 4.25, the recommendation is to cap the voluntary severance payment at the top of the Hay Grade C scale i.e. £53,533.

Redundancy

- 9.8 In line with paragraph 4.37, a recommendation is sought from Members to support the revised wording in the scheme with regard to the payments to those employees who are over 60 and can access their pension at an unreduced rate, without a cost to the Authority.
- 9.9 In line with paragraph 4.38, a recommendation is sought from Members to support consultation with the Trade Union to clarify their concerns with regard to the Redundancy Selection Criteria and negotiate an agreed criteria for reference to Cabinet.
- 9.10 In line with paragraph 4.39, Members may also wish to consider whether they would like officers to consult with the Trade Unions and draw up options for alternative levels of payment for redundancy to support the MTFP.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To provide the Council with additional flexibility to manage the workforce to support the achievement of the MTFP.

11. STATUTORY POWER

- 11.1 Local Government Pension Scheme Regulations 2014.
Local Government Act, 1972.

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Nicole Scammell - Acting Director of Corporate Services
Dave Street - Director of Social Services
Cllr Christine Forehead - Cabinet Member for HR and Constitutional Affairs
Gail Williams - Interim Head of Legal Services and Monitoring Officer
Angharad Price - Acting Principal Solicitor / Deputy Monitoring Officer
Lynne Donovan - HR Service Manager, Customer Services
Liz Rogers - HR Service Manager, Strategy and Operations
Dave Thomas - Senior Policy Officer, Equalities and Welsh Language

Appendices:-

Appendix 1 Passport Programme
Appendix 2 Flexible Retirement Scheme Example
Appendix 3 Flexible Retirement Scheme
Appendix 4 Voluntary Severance Scheme
Appendix 5 Redundancy
Appendix 6 Draft Early Retirement Scheme

DRAFT EARLY RETIREMENT SCHEME

Version:	Version 1- Draft 3 – August 2014
Scheme Ratified by:	Human Resources
Date:	
Area Applicable:	All Caerphilly Employees except school based employees unless the School Governing Body has adopted the Scheme.
Review Year	2016
Impact Assessed	

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NOTE

WHEREVER THE DESIGNATION MANAGER IS USED THROUGHOUT THIS PROCEDURE, IT IS TAKEN TO MEAN HEAD OF SERVICE, LINE MANAGER, SUPERVISOR, OFFICER IN CHARGE, HEAD TEACHER OR ANYONE WHO HAS SUPERVISORY RESPONSIBILITY.

INTRODUCTION

1. Caerphilly County Borough Council is committed to providing its employees with more choice and flexibility with regard to whether they wish to retire early or stay in work beyond normal retirement age, making their transition from working life to retirement a smoother one for the employee and the Council.
2. The Council recognises that attracting and retaining a well-trained, well motivated and flexible workforce, with a wide range of skills and experience is essential to the provision of quality services.
3. Early retirement will allow employees to finish work early thus allowing them time to pursue other activities or enjoy their retirement.

SCOPE OF THE SCHEME

4. The Early Retirement Scheme applies to any employee where an early retirement by mutual consent on grounds of business efficiency opportunity has been identified, either by the employee or the organization, irrespective of whether they are on a fixed term or permanent contract. This does not include school based support employees unless the School Governing Body has adopted the Scheme.
5. The Council's recognised trade unions have been consulted on the Scheme.
6. The effective date of this scheme is ?? 2014. The scheme and guidelines will be used to deal with all flexible and early retirement situations.

GUIDING PRINCIPLES

7. With effect from 1st April 2014, the majority of employees' normal retirement age will be the same as their state pension age. This is referred to as normal pension age (NPA). Employees are able to find out their normal pension age by going to <https://www.gov.uk/calculate-state-pension>.
8. However, in accordance with the LGPS Regulations, an employee can retire and gain access to their LGPS pension benefits from age 55, without their employer's consent. Pension benefits may be actuarially reduced if benefits are drawn before NPA. However, under the 85 Year Rule, if a member's age and membership in whole years equalled 85 at age 60, the member was able to retire without a reduction in benefits. Employees, who joined the LGPS on or before 30th September 2006, may (under the protections put in place due to the removal of the 85 year rule) be subject to full or partial protection from reduction.
9. Early retirement by mutual consent on the grounds of business efficiency is where an employee decides to leave the Council before their normal pension age but after age 55. Employees will not receive a reduction in their pension benefits if they leave on this basis.
10. Heads of Service are required to draw up a Business Case to demonstrate that the Service Area is able to accommodate the request both operationally and

- financially. The business case should include details of the impact on service delivery and the benefit to the Service Area as well as the individual and any associated pension strain costs. This Business Case should be counter signed by the relevant Director. Where applications contain the requirement for the council to meet pension strain costs, final approval will need to be sought from the Pensions & Compensation Committee.
11. Applications for early retirement can take up to 6 - 8 weeks to process so employees should bear this in mind when making their application and allow adequate time if they have a specific date that they wish the retirement to take place on. If the business case is not viable for the Service Area, it may be possible to facilitate an early retirement by cross matching to a post within another Service Area.
 12. Viable business cases would be considered as an alternative to compulsory redundancies in a Service Area. This means that applicants who apply to access early retirement could be cross-matched against those at risk. In this circumstance, please seek further advice from your HR Business Partner Team.
 13. There is no automatic right for an employee's request for early retirement to be agreed.
 14. Heads of Service should contact their HR Business Partner Team to discuss any applications for early retirement by mutual consent on the grounds of the efficiency that they receive. This is especially important where an application cannot be supported. In this case, Heads of Service should seek advice, prior to notifying the employee that the application cannot be supported, to ensure that the case has been reasonably considered and all alternatives have been explored. When an application is not supported, employees must be given written reasons as to why the application cannot be accommodated by the relevant Manager/Head of Service.
 15. In all cases advice must be sought from your HR Business Partner Team, who will contact the Greater Gwent Pension Fund on the employee's behalf. The Greater Gwent Pensions Fund will not deal directly with employees about their pension benefits in relation to early retirement by mutual consent on the grounds of business efficiency, as employer consent is needed for the application to progress.
 16. Prior to making any application for early retirement by mutual consent on the grounds of business efficiency, employees need to ensure that they obtain all the necessary information about what pension benefits are payable, additional voluntary contributions, etc and other financial matters to inform their decision to take early retirement. Employees are advised to seek independent financial advice before making any decisions.
 17. Managers should be mindful of their obligations under Equalities legislation and in particular the requirement not to discriminate or treat employees differently on the grounds of age.

INTERPRETATION OF THE SCHEME

19. In the event of a dispute relating to the interpretation of this scheme the Head of Workforce and Organisation Development or the Human Resources Service Manager will make the final decision on interpretation.

REVIEW OF THE SCHEME

20. A review of this scheme and procedure will take place when appropriate. Any amendments will be consulted on with all the relevant parties. However, in the case of amendments relating to legislative requirements, the scheme will be amended and reissued.

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DRAFT FLEXIBLE RETIREMENT SCHEME

Version:	Version 1- Draft 8 – August 2014
Scheme Ratified by:	Human Resources
Date:	
Area Applicable:	All Caerphilly Employees except school based employees unless the School Governing Body has adopted the Scheme.
Review Year	2016
Impact Assessed	Yes

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INTRODUCTION

1. Caerphilly County Borough Council is committed to providing its employees with more choice and flexibility with regard to whether they wish to retire early or stay in work beyond normal retirement age, making their transition from working life to retirement a smoother one for the employee and the Council.
2. The Council recognises that attracting and retaining a well-trained, well motivated and flexible workforce, with a wide range of skills and experience is essential to the provision of quality services.
3. Flexible retirement is a change from retiring at a specific age to a much more flexible approach so that employees can plan their retirement, financially and socially, and make a gradual adjustment at the end of their working lives. There are also benefits to the Council by retaining experienced staff with valuable skills and enabling better succession planning. Flexible retirement will allow employees to reduce their working hours thus allowing them time to pursue other activities.
4. It is important to note that flexible retirement applications must bear in mind the operational requirements of the service and will only proceed to Pensions Committee for approval if there is a viable business case approved by the Head of Service and Director confirming that the request can be accommodated and that there will be no disruption to the working of the Service Area.
5. The Scheme sets out how Managers and employees can work together to achieve flexibility for employees approaching retirement.

SCOPE OF THE SCHEME

6. The Flexible Retirement Scheme applies to any individual employee where a flexible retirement opportunity has been identified, either by the employee or the Council, irrespective of whether they are on a fixed term or permanent contract. This does not include school based support employees unless the School Governing Body has adopted the Scheme. This Scheme should not be used for groups of employees who wish to flexibly retire.
7. The Council's recognised trade unions have been consulted on the Scheme.
8. The effective date of this scheme is ?? 2014. The scheme and guidelines will be used to deal with all flexible retirement situations.

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GUIDING PRINCIPLES

9. With effect from 1st April 2014, the majority of employees' normal retirement age will be the same as their state pension age. This is referred to as normal pension age (NPA). Employees are able to find out their normal pension age by going to <https://www.gov.uk/calculate-state-pension>.
10. However, in accordance with the LGPS Regulations, an employee can retire and gain access to their LGPS pension benefits, from age 55, without their employer's consent.
Pension benefits may be actuarially reduced if benefits are drawn before NPA. It should be noted that the Council will not waive an employee's actuarial reduction if the benefits are drawn before NPA. However, under the 85 Year Rule, if a member's age and membership in whole years equalled 85 at age 60, the member was able to retire without a reduction in benefits. Employees who joined the LGPS on or before 30th September 2006, may (under the protections put in place due to the removal of the 85 year rule) be subject to full or partial protection from reduction. The '85 year rule' is being phased out with effect from 1st April 2016 and withdrawn completely from 1st April 2020.
11. Flexible retirement is a planned approach to retirement that involves an individual employee aged 55 or over to voluntarily
- Reduce their working hours in their existing post and/or
 - Move to a job on a lower grade
- whilst accessing their accrued pension benefits. However the benefits would be reduced because they are being paid early, subject to certain protections for pre 2014 members of the fund. Examples of the reductions applicable are shown as an Appendix.
12. Heads of Service are required to draw up a Business Case to demonstrate that the Service Area is able to accommodate the request both operationally and financially. The business case should include details of the impact on service delivery and the benefit to the Service Area as well as the individual and any associated costs. The business case will also include the employee's intended retirement date so that the Service Area can plan for the employee's eventual retirement. This date should not normally be more than 6 months in the future. In

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exceptional cases it is possible to extend this to 9 months. This Business Case should be counter signed by the relevant Director.

13. Applications for flexible retirement can take up to 6 – 8 weeks to process so employees should bear this in mind when making their application and allow adequate time if they have a specific date that they wish the new arrangement to take place on. If the business case is not viable for the Service Area, it may be possible to facilitate a flexible retirement by cross matching to a post within another Service Area. In this circumstance, please seek further advice from your HR Business Partner Team.
14. In the event that an application for flexible retirement is received from the Chief Executive, the application will be considered by full Council.
15. Employees, subject to the business case being viable and the Service Area being able to accommodate the flexible retirement, have a choice of whether to reduce hours or grade. The reduction in hours must be **at least** 40% of the employee's contractual hours immediately prior to the planned flexible retirement e.g. for a full time employee this will be one day a week, for a part time employee this will be 40% of their hours so someone working 30 hours would need to reduce their hours by 6 hours. The reduction in grade must be a **minimum** of two grades e.g. a Grade 5 to a Grade 3. If an employee decides to reduce their grade in order to take flexible retirement, they will be put on the top Spinal Column Point of the relevant grade.
16. There is no automatic right for an employee's request for flexible retirement to be agreed.
17. Heads of Service should contact their HR Business Partner Team to discuss any applications for flexible retirement that they receive. This is especially important where an application cannot be supported. In this case, Heads of Service should seek advice, prior to notifying the employee that the application cannot be supported, to ensure that the case has been reasonably considered and all alternatives have been explored. When an application is not supported, employees must be given written reasons as to why the application cannot be accommodated.
18. Employees will only be able to flexibly retire once so a number of reductions in hour or grade over a period of time will not be permitted. Any changes to an employee's contract as a result of an application for flexible retirement will be

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permanent and there is no automatic right to go back to full time hours or grade or for further reductions in hours or grade.

19. An employee retiring flexibly does not have to draw on all of the benefits they have built up at the point of flexible retirement. They have to draw
- all of their pre 1st April 2008 benefits plus
 - all, some or none of their 1st April 2008 to 31st March 2014 benefits plus
 - all, some or none of their post 31st April 2014 benefits plus
 - any additional benefits in accordance with actuarial guidance issued by the Secretary of State. (Additional benefits are added years being purchased by the employee, AVCs (if the employee chooses to draw them), additional pension bought by APCs/SCAPS, additional pension bought by ARCs and additional pension awarded by the employer if they discretion has been adopted.)
20. There is no trial period for flexible retirement. Once it has been agreed, the decision cannot be reversed. This is, because of the direct impact upon the pension benefits.
21. Where an employee remains in post beyond age 65, flexible retirement remains a permissible option up until age 74.
22. Pension benefits must be drawn one day before reaching the age of 75.
23. Employees will remain in the pension scheme and accrue a second pension on the reduced hours or grade. unless the Council is informed in writing of the employee's decision to opt out of the Scheme. These benefits will become payable when the employee retires fully. Employees are also able to pay Additional Pension Contributions or Additional Voluntary Contributions to purchase additional pension benefits, if they so wish.
24. Prior to making any application for flexible retirement, employees need to ensure that they obtain all the necessary information about what pension benefits are payable, additional voluntary contributions, etc and other financial matters to inform their decision to take flexible retirement. In all cases advice must be sought from your HR Business Partner Team, who will contact the Greater Gwent Pension Fund on the employee's behalf. The Greater Gwent Pensions Fund will not deal directly with employees about their pension benefits in relation to flexible

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retirement applications as employer consent is needed for the application to progress. Employees are also advised to seek independent financial advice before making any decisions.

25. If an employee reduces their hours in the same job or obtains a new job by way of a flexible retirement application, all the conditions of their contract of employment will be retained, including recognition of continuous service for purposes of annual leave, sick pay and entitlement to the Council's long service award and for employment rights such as redundancy payments. However, although the entitlements will be retained the amount of the entitlement will be pro rata'd (apart from the Long Service Award) to the number of hours that the employee is working.
26. If an employee is not in the LGPS, or does not wish to draw their pension benefits, but wishes to reduce their hours in readiness for retirement, they should do so via a Flexible Working Request.
27. Managers should be mindful of their obligations under Equalities legislation and in particular the requirement not to discriminate or treat employees differently on the grounds of age.
28. It is also important to consider that as the Council's workforce begins to age, with possibly increased physical and medical issues or disabilities linked to age, that flexible retirement also benefits employees in helping to maintain a practical work-life balance, protecting income and pension for the employee and potentially reducing sickness absence to a minimum.

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INTERPRETATION OF THE SCHEME

30. In the event of a dispute relating to the interpretation of this scheme the Head of Workforce and Organisation Development or the Human Resources Service Manager will make the final decision on interpretation.

REVIEW OF THE SCHEME

31. A review of this scheme and procedure will take place when appropriate, and the Council retains the right to change the policy at any time. Any amendments will be consulted on with all the relevant parties. However, in the case of amendments relating to legislative requirements, the scheme will be amended and reissued.

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BENEFITS REDUCTION TABLE

Number of Years Paid Early	Pensions Reduction – Men	Pensions Reduction – Women	Lump Sum Reduction
0	0%	0%	0%
1	6%	5%	3%
2	11%	11%	6%
3	16%	15%	8%
4	20%	20%	11%
5	25%	24%	14%
6	29%	27%	16%
7	32%	31%	19%
8	36%	34%	21%
9	39%	37%	23%
10	42%	40%	26%
11	45%	44%	Not Applicable
12	48%	47%	Not Applicable
13	52%	50%	Not Applicable

NOTE

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1. You cannot receive your lump sum payment more than 10 years before your retirement date.
2. Figures provided by Government Actuary Department.
3. To calculate your normal pension age go to <https://www.gov.uk/calculate-state-pension> and then take the age that you wish to retire from your normal pension age to calculate how many years early you are retiring e.g. normal pension age is 67 and employee decides to retire at 61 they would be retiring 6 years early so a man would have a 29% reduction and a woman a 27% reduction.

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VOLUNTARY SEVERANCE SCHEME

Version:	Version 1- Draft 3 – August 2014
Scheme Ratified by:	Human Resources
Date:	January 2015
Area Applicable:	All Caerphilly Employees except school based employees unless the School Governing Body has adopted the Scheme.
Review Year	2016
Impact Assessed	Yes

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NOTE

WHEREVER THE DESIGNATION MANAGER IS USED THROUGHOUT THIS PROCEDURE, IT IS TAKEN TO MEAN HEAD OF SERVICE, LINE MANAGER, SUPERVISOR, OFFICER IN CHARGE, HEAD TEACHER OR ANYONE WHO HAS SUPERVISORY RESPONSIBILITY.

INTRODUCTION

1. Caerphilly County Borough Council is committed to providing its employees with more choice and flexibility with regard to whether they wish to stay in work. Personal circumstances will differ, and there may be occasions where employees in areas affected by the need to downsize the workforce may wish to access voluntary severance opportunities.
2. The Council recognises that retaining a well-trained, well motivated and flexible workforce, with a wide range of skills and experience is essential to the provision of quality services. This will be a difficult balancing act when considering the staffing implications flowing from the Council's Medium Term Financial Plan.
3. A Voluntary Severance Scheme will allow the Council to offer employees, whose areas are affected by the need to downsize, a greater flexibility of options.

SCOPE OF THE SCHEME

4. This Scheme applies to all employees except those school based support/teaching staff for whom the Governing Body sets the local terms and conditions of employment.
5. The Council's recognised trade unions have been consulted on the Scheme.
6. The effective date of this scheme is ?? 2014. The Scheme and guidelines will be used to deal with all voluntary severance situations after this date.

GUIDING PRINCIPLES

7. When Service Areas are required to downsize their workforce, an individual employee or groups of employees may be identified as being at risk. Those employees would then fall under the Redeployment Policy, and all reasonable efforts will be made by the Council to redeploy the affected employee(s) into suitable alternative employment within the Council.
8. Whilst this process supports employees, and has historically been effective in securing alternative employment, this is not achievable in all cases. It is also recognised that the volumes of employees requiring the support of the Redeployment Policy, are anticipated to grow as a consequence of the requirements of the Medium Term Financial Plan. This in turn is likely to place this ability to successfully secure alternative employment, under further pressure.
9. A period of time in the redeployment period may be stressful, and place added pressures on the employee and us as the employer. Employees for

a whole host of personal reasons, may not wish to be placed in a position where they are in the redeployment pool. As a personal choice, they may prefer to access the Voluntary Severance Scheme, and leave our employment.

10. Where a Service Area has to downsize some individuals may not be directly at risk. However, for personal reasons they may volunteer to leave via a voluntary severance arrangement, allowing for the employee identified as at risk to be redeployed into their post, if they are deemed to be a suitable match. In addition, prior to identifying the actual detail of the individuals effected (particularly where this will cover larger employee groups rather than an individual post), Managers may wish to explore whether there are employees who would wish to volunteer. This may assist in reducing the timelines involved, and alleviate issues with concerned members of staff.
11. Heads of Service are required to draw up a Business Case to demonstrate that the Service Area is able to accommodate the voluntary severance request both operationally and financially. The business case should include the financial details of the severance payment and the benefit to the Service Area. The employee's termination date will be agreed as part of the business case process. The Business Case should be counter signed by the relevant Director.
12. Viable voluntary severance business cases would be considered as an alternative to the need for compulsory redundancies in a Service Area. This means that applicants who apply to access voluntary severance could be cross-matched against those at risk. If the business case is not viable for the Service Area, it may be possible to facilitate a voluntary severance arrangement by cross matching to a post within another Service Area.
13. There is no automatic right for an employee's request for voluntary severance to be agreed.
14. Heads of Service should contact their HR Business Partner Team to discuss any applications for voluntary severance that they receive. This is especially important where an application cannot be supported. In this case, Heads of Service should seek advice, prior to notifying the employee that the application cannot be supported, to ensure that the case has been reasonably considered and all alternatives have been explored. When an application is not supported, employees must be given written reasons as to why the application cannot be accommodated by the relevant Manager/Head of Service.

15. The value of individual severance payments will differ depending on the employee's length of service. However the means of calculating the severance payment will be consistent. The severance payment will be the equivalent of 60% at their current gross salary level. This payment will currently be capped at the top of HAY Grade C.
16. Managers should be mindful of their obligations under Equalities legislation and in particular the requirement not to discriminate or treat employees differently on the grounds of age.

INTERPRETATION OF THE SCHEME

17. In the event of a dispute relating to the interpretation of this scheme the Head of Workforce and Organisation Development or the Human Resources Service Manager will make the final decision on interpretation.

REVIEW OF THE SCHEME

18. A review of this scheme and procedure will take place when appropriate. Any amendments will be consulted on with all the relevant parties. However, in the case of amendments relating to legislative requirements, the scheme will be amended and reissued.

JANUARY 2015

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DRAFT REDUNDANCY SCHEME

Version:	Version 3- Draft 3 – August 2014
Scheme Ratified by:	Human Resources
Date:	
Area Applicable:	All Caerphilly Employees except school based employees unless the School Governing Body has adopted the Scheme.
Review Year	2016
Impact Assessed	



SCOPE OF THE SCHEME

1. The Redundancy Scheme applies to any employee where a redundancy situation has been identified, irrespective of whether they are on a fixed term or permanent contract. This Scheme does not cover school based support employees.
2. The Council's recognised trade unions have been consulted on the Scheme.
3. The effective date of this scheme is ?? 2014. The scheme and guidelines will be used to deal with all redundancy situations after that date and supersedes all previous versions of the Scheme.

GUIDING PRINCIPLES

4. The Government's Statutory Redundancy Scheme allows for employees who lose their job via a redundancy situation to receive compensation for the loss of their job once they have accrued two year's continuous service with the employer. The details of the Statutory Scheme are as follows:
 - **0.5 week's pay for each full year worked when you are under 22 years of age.**
 - **1 week's pay for each full year worked when you are between 22 and 41 year's of age**
 - **1.5 week's pay for each full year worked when you are 41 years of age.**
5. Service is capped at 20 years with the maximum number of weeks that can be paid being 30 weeks. See attached table which shows how a redundancy payment is calculated based on an employee's age and service. Employees are also able to calculate their entitlement to a statutory redundancy payment at www.gov.uk/calculate-your-redundancy-pay
6. The weekly amount of statutory redundancy pay (April 2014) is capped at £464 per week for a full time employee. This amount increases every year in April.
7. The Local Government Pension Scheme Regulations, 2013 endorsed the changes introduced in the 2008 Regulations, with effect from 1st April 2014. The Regulations maintained the minimum age criteria in relation to employees retiring on the grounds of redundancy, interests and efficiency of the service and applications to release pension benefits early under Regulation 30 of the Local Government Pension Scheme (85 year rule). From that date, the minimum age increased from 50 to age 55 for all categories.
8. The Council's enhanced Redundancy Scheme also changed from that date and the main details are shown below. This means that the enhanced redundancy payment is calculated follows the same basis as the Statutory Calculator i.e an employee's age and service. However, it should be noted that a week's pay will not be capped at the statutory maximum but will reflect an employee's actual pay.

Reviewed 2014

Employees who do not have access to their Pension

- A redundancy payment based on the statutory calculator multiplied by two up to a maximum of 60 weeks.

Employees who are able to access their Pension

- A redundancy payment based on the statutory calculator up to a maximum of 30 weeks.
 - Will have immediate access to payment of their LGPS/TPS benefits
9. The only change in relation to applications for early release of pension benefits under Regulation 30 (85 rule) of the Local Government Pension Scheme is that the minimum age will change from 50 to 55. Applications, which require employer's consent, applies to staff between 55 - 60. Transitional protection is available under the LGPS to those staff who will be age 60 or over by 31st March, 2016 and meet the 85 year test.
10. If there is a change in Pension Regulations or any other relevant legislation including the basis of the calculation for statutory redundancy in the future, the Council reserves the right to change this Scheme to comply with any future legislation and Regulations.
11. If you have any queries, please do not hesitate to contact your Business Partner Team in Penallta House.

INTERPRETATION OF THE SCHEME

12. In the event of a dispute relating to the interpretation of this Scheme the Head of Workforce and Organisation Development or the Human Resources Service Manager will make the final decision on interpretation.

REVIEW OF THE SCHEME

13. A review of this scheme and procedure will take place when appropriate. and the Council retains the right to change the policy at any time. Any amendments will be consulted on with all the relevant parties. However, in the case of amendments relating to legislative requirements, the scheme will be amended and reissued.

2014

Statutory Redundancy Pay Table

To calculate the number of weeks redundancy pay, cross reference the your age and years of service and then multiply that number by the weekly salary. E.g. a person with a salary of £200 aged 22 with 4 years of service will be entitled to two weeks salary e.g. a total redundancy of £400.

17* - The table starts at age 17, as it is possible for a 17 year old to have 2 years service. Compulsory school leaving age can be $15^{3/4}$ or $15^{4/5}$ where a child is 16 before 1 September. Particular care should be taken when calculating an individual's redundancy pay when they joined as an employee below the age of 16.

61* - The table stops at age 61 because for employees age 61 and over, the payment remains the same as for age 61.

Statutory redundancy pay table																				
	Service (Years)																			
Age	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
17*	1																			
18	1	1½																		
19	1	1½	2																	
20	1	1½	2	2½	-															
21	1	1½	2	2½	3	-														
22	1	1½	2	2½	3	3½	-													
23	1½	2	2½	3	3½	4	4½	-												
24	2	2½	3	3½	4	4½	5	5½	-											
	Service (Years)																			
Age	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
25	2	3	3½	4	4½	5	5½	6	6½	-										
26	2	3	4	4½	5	5½	6	6½	7	7½	-									
27	2	3	4	5	5½	6	6½	7	7½	8	8½	-								
28	2	3	4	5	6	6½	7	7½	8	8½	9	9½	-							
29	2	3	4	5	6	7	7½	8	8½	9	9½	10	10½	-						
30	2	3	4	5	6	7	8	8½	9	9½	10	10½	11	11½	-					
31	2	3	4	5	6	7	8	9	9½	10	10½	11	11½	12	12½	-				
32	2	3	4	5	6	7	8	9	10	10½	11	11½	12	12½	13	13½	-			
33	2	3	4	5	6	7	8	9	10	11	11½	12	12½	13	13½	14	14½	-		
34	2	3	4	5	6	7	8	9	10	11	12	12½	13	13½	14	14½	15	15½	-	
35	2	3	4	5	6	7	8	9	10	11	12	13	13½	14	14½	15	15½	16	16½	
36	2	3	4	5	6	7	8	9	10	11	12	13	14	14½	15	15½	16	16½	17	
37	2	3	4	5	6	7	8	9	10	11	12	13	14	15	15½	16	16½	17	17½	
38	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	16½	17	17½	18	
39	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	17½	18	18½	

40	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	18½	19
41	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	19½
42	2½	3½	4½	5½	6½	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½
43	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
44	3	4½	5½	6½	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½
45	3	4½	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
46	3	4½	6	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½
47	3	4½	6	7½	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
	Service (Years)																		
Age	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
48	3	4½	6	7½	9	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½	23½
49	3	4½	6	7½	9	10½	12	13	14	15	16	17	18	19	20	21	22	23	24
50	3	4½	6	7½	9	10½	12	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½	23½	24½
51	3	4½	6	7½	9	10½	12	13½	15	16	17	18	19	20	21	22	23	24	25
52	3	4½	6	7½	9	10½	12	13½	15	16½	17½	18½	19½	20½	21½	22½	23½	24½	25½
53	3	4½	6	7½	9	10½	12	13½	15	16½	18	19	20	21	22	23	24	25	26
54	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	20½	21½	22½	23½	24½	25½	26½
55	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22	23	24	25	26	27
56	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	23½	24½	25½	26½	27½
57	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25	26	27	28
58	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	26½	27½	28½
59	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28	29
60	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28½	29½
61+	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28½	30

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CABINET – 1ST OCTOBER 2014

SUBJECT: CAERPHILLY COUNTY BOROUGH LOCAL DEVELOPMENT PLAN (FIRST REVIEW) UP TO 2031: POPULATION AND HOUSEHOLD GROWTH OPTIONS

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151 OFFICER

-
- 1.1 The attached report, which sought to obtain the views of elected members on the proposed level of population and household growth to be included in the Preferred Strategy, to underpin the first review of the Caerphilly County Borough Local Development Plan up to 2031, was considered by the Regeneration and Environment Scrutiny Committee on 16th September 2014. It seeks the views of Cabinet before it is referred to Council for determination.
 - 1.2 The report detailed key assumptions that determine the future level of population and housing growth to be accommodated in the county borough, in particular the level of births, deaths and net migration. Members were informed of the stakeholder engagement undertaken to date for the review of the LDP and how this work has influenced the population and household growth scenarios presented for consideration in this report.
 - 1.3 The Committee's views were sought on the use of population and household growth scenario M as a basis for the preparation of the Preferred Strategy, which will be considered by Council in early 2015.
 - 1.4 Members raised a number of queries in regards to the report, in particular section 4.33 which detailed the land use implications of Scenario M, which recommended an annual house-building rate of 600 dwellings per annum, equating to 12,000 new dwellings over the plan period. Officers confirmed that all existing land allocations would be revisited to ensure they were still appropriate to the Caerphilly County Borough Local Development Plan.
 - 1.5 Following detailed discussion on the content of the report, the Regeneration and Environment Scrutiny Committee unanimously recommended to Cabinet that for the reasons contained therein:-
 - (i) Population and Household Growth Scenarios A, B, E, H and M be subject to further consideration by stakeholders as part of the pre-deposit public consultation stage of the review process;
 - (ii) Population and Household Growth Scenario M be used as the Preferred Growth Option and as a basis to underpin the Preferred Strategy for the Caerphilly County Borough Local Development Plan (First Review) up to 2031.
 - 1.6 Members are asked to consider the recommendations.

Author: R. Barrett, Committee Services Officer, Ext. 4245

Appendices:

Appendix 1 Report to Regeneration and Environment Scrutiny Committee on 16th September
2014 – Agenda Item 15



REGENERATION AND ENVIRONMENT SCRUTINY COMMITTEE – 16TH SEPTEMBER 2014

**SUBJECT: CAERPHILLY COUNTY BOROUGH LOCAL DEVELOPMENT PLAN
(FIRST REVIEW) UP TO 2031: POPULATION AND HOUSEHOLD
GROWTH OPTIONS**

REPORT BY: ACTING DEPUTY CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 To provide elected members with an understanding of the key assumptions that determine the future level of population and housing growth to be accommodated in the county borough through the first review of the Caerphilly County Borough Local Development Plan up to 2031.
- 1.2 To obtain the views of elected members on the level of population and household growth that should be included in the Preferred Strategy in order to inform the amount of housing land that will need to be released up to 2031 through the review process.
- 1.3 To inform elected members of the stakeholder engagement undertaken to date for the review of the LDP and outline how this work has influenced the population and household growth scenarios presented for consideration in this report.
- 1.4 To seek the Scrutiny Committee's views of the use of population and household growth scenario M as a basis for the preparation of the Preferred Strategy which will be considered by Council in early 2015.
- 1.5 To make recommendations to Cabinet and thereafter Council in respect of 1.1 to 1.4 above.

2. SUMMARY

- 2.1 The Council has a statutory duty to prepare and review a Local Development Plan for its area to provide the policy framework for the development and use of land within the County Borough. On 23 November 2010, the Council formally adopted the Caerphilly County Borough Local Development Plan up to 2031(LDP) and has since been monitoring the progress of the plan through its Annual Monitoring Report (AMR).
- 2.2 Following the recommendations of the 2013 AMR, the Council resolved on 8 October 2013, to roll forward the LDP to cover the plan period up to 2031 and to commence work on the review of the plan.
- 2.3 Participation and public consultation is essential for effective community and stakeholder engagement in this process. Early discussion on the updated evidence base, alternative strategic options, preferred strategy and related proposals is critical for building consensus in respect of how the plan should be reviewed to meet the county boroughs future development needs.

- 2.4 Fundamental to the review of the LDP for the County Borough is the amount of new development that needs to be planned for up to 2031.
- 2.5 National planning policy states that the starting point for considering how much housing should be accommodated within Local Development Plans should be the Welsh Government household projections. However local authorities are able to deviate from these projections if they have the evidence to support this.
- 2.6 Concerns are raised however regarding the appropriateness of the assumptions used in the WG projections in respect of migration. There nine different scenarios were initially tested to examine the potential impact of different migration assumptions on household growth, however further to early stakeholder involvement a further 4 scenarios have also been tested. On balance it is considered that Population and Household Growth Scenarios E, H and M are the more desirable, realistic and robust options to inform the level of Population and Household Growth up to 2031 and should be used to inform the Preferred Strategy to be considered by the Council in October 2014 and thereafter to be subject of public consultation in the new year.
- 2.7 If members accept the recommendation contained in this report, the revised LDP will need to make provision for the development of 450 to 600 dwellings per annum.

3. LINKS TO STRATEGY

- 3.1 The Single Integrated Plan **Caerphilly Delivers** has been prepared by the LSB and represents a determined commitment by all partners to accelerate change, strengthen partnership working, multi-agency collaboration, and accountability for delivery.
- 3.2 **Caerphilly Delivers** has been developed based on 4 key principles of:
- **Sustainable development** where we promote social justice and equality of opportunity and enhance the natural and cultural environment and respect its limits
 - **Equalities and Welsh language** where we all promote and mainstream equalities and the Welsh language in accordance with our legislative requirements and strategic equality objectives.
 - **Early intervention and prevention goals** with the aim of either preventing matters from getting worse or occurring in the first place, by identifying those in greatest need from their vulnerability, their risk of becoming vulnerable or from otherwise becoming disadvantaged.
 - **Community cohesion** where people from different backgrounds enjoy similar life opportunities, understand their rights and responsibilities and trust one another and are trusting of local institutions to act fairly.
- 3.2 The Local Development Plan is the statutory framework for the development and use of land within the County Borough. It provides the policy framework for the development and conservation needs of the County Borough and is used by the Council to guide and control development. In order to realise the long term Strategic Vision for the county borough the LDP (1st Review) will facilitate the delivery of the land use elements of the five key outputs of Caerphilly Delivers, as follows:
- **Prosperous Caerphilly** - The LDP (1st Review) will seek to increase the economic prosperity of the people and communities of the county borough through the provision of land for employment opportunities, supported by appropriate housing and ancillary facilities and services (including community and health facilities, recreation, leisure etc). Further it will seek to facilitate the provision of a modern, integrated and sustainable transport system that increases opportunity, promotes prosperity and protects the environment; where public transport, walking and cycling provide real travel alternatives.
 - **Safer Caerphilly** - The LDP (1st Review) will seek to make Caerphilly County Borough a clean, green, safe and pleasant place to live and work with decent public services. It should enhance the vibrancy and diversity of local communities, in order to ensure good

health and social cohesion. It will facilitate the creation of new developments, which help to enhance social cohesion so that people feel safe and secure and it should deliver high quality design that deters opportunities for crime and anti social behaviour.

- **Learning Caerphilly** - The LDP (1st Review) will recognise the importance of modern education facilities and the role that they play in up skilling the population. It will therefore need to protect existing facilities and make adequate provision for sufficient land to be released to enable the improvement of education facilities throughout the county borough.
- **Healthier Caerphilly** - The LDP (1st Review) will contribute to improving public health, by promoting land use developments that contribute to healthy lifestyles and well-being. The plan will therefore make provision for a transportation network that increases the opportunities for walking and cycling and provide a policy framework for the protection and enhancement of recreation and leisure facilities to ensure that they are accessible for all.
- **Greener Caerphilly** - The LDP (1st Review) will protect the environment as a whole whilst balancing the need for new development with the need to conserve valuable resources. Further it will underpin all development with the principle of good design, that meets a diversity of needs; which uses resources efficiently; and which makes adequate provision for recycling and waste management and ensure that new development minimises emissions of greenhouse gases as far as is practically possible in order to mitigate the effects of climate change. Finally it will seek to ensure that resources are used efficiently making the best use of our valuable assets.

4. THE REPORT

- 4.1 The Council has a statutory duty to prepare and review a Local Development Plan for its area to provide the policy framework for the development and use of land within the County Borough. On 23 November 2010, the Council formally adopted the Caerphilly County Borough Local Development Plan up to 2021(LDP) and has since been monitoring the progress of the plan through its Annual Monitoring Report (AMR).
- 4.2 Following the recommendations of the 2013 AMR, the Council resolved on 8 October 2013, to roll forward the LDP to cover the plan period up to 2031 and to commence work on the review of the plan.
- 4.3 An important feature of the development plan review process is the emphasis on identifying and testing realistic strategy options to deliver the Vision and Objectives of the plan over the plan period.
- 4.4 As the Council already has an adopted plan, there is a need to assess whether the existing Development Strategy for the county borough remains appropriate within the context of the revised plan period up to 2031, and also remains robust within the changing regional context.
- 4.5 Participation and public consultation is essential for effective community and stakeholder engagement in this process. Early discussion on the updated evidence base, alternative strategic options, preferred strategy and related proposals is critical for building consensus in respect of how the plan should be reviewed to meet the county boroughs future development needs.
- 4.6 The Delivery Agreement, Agreed February 2014 (DA) outlines how the Council intends to engage with stakeholders throughout the review of the plan. In line with the DA, a series of targeted stakeholder events took place throughout the spring of 2014, as follows:

29 April 2014
9 May 2014
9 June 2014
23 June 2014

LDP Focus Group
Event with Members of Standing Conference
Stakeholder Event - Developer Workshop
General Consultation Bodies - Workshop

4.7 The purpose of this work was to:

1. Test the existing Adopted LDP development strategy against alternative scenarios to determine if it remains appropriate moving forward;
2. Obtain targeted stakeholder views in respect of the alternative scenarios for population and household growth;
3. Obtain targeted stakeholder views in respect of the development of alternative strategic options; and
4. Inform the Preferred Strategy that will be subject of a further report to Council in January 2015.

The summary of the stakeholder feedback obtained to date through these mechanisms is outlined in Appendix 1 to 3. The Draft Notes of the LDP Focus Group are attached at Appendix 4.

4.8 The comments and observations made, has helped to inform this report in terms of presenting options in respect of the scale of future population and household growth to be accommodated in the county borough up to 2031, for consideration by elected members. Further, this work has provided an indication of the stakeholders' initial views regarding the appropriateness, or otherwise, of alternative spatial options to deliver this growth.

4.9 This report provides an overview of the Population and Household Growth Scenarios that have been considered through this early engagement process. Five preferred growth options are presented for the consideration of members, one of which is highlighted as being the most robust to take forward as part of the consultation on the Preferred Strategy, namely Scenario M the Moderate average household size change and SE Wales migration (10 years), which equates to a need for 600 dwellings per annum up to 2031.

POPULATION & HOUSEHOLD GROWTH OPTIONS

4.10 Fundamental to the review of the LDP for the County Borough is the amount of new development that needs to be planned for up to 2031. Of critical importance is the future number of households that the plan will need to make provision for. This clearly influences the number of dwellings that will need to be provided over the plan period and the level of new jobs that will need to be created. Appendix 5 outlines a set of frequently asked questions and answers, concerning the need for new housing in the county borough.

4.11 National planning policy states that the starting point for considering how much housing should be accommodated within Local Development Plans should be the Welsh Government household projections. However local authorities are able to deviate from these projections if they have the evidence to support this.

4.12 The latest Welsh Government Population and Household Projections have a 2011 base date and are based on short-term trends for the five years preceding 2011. Whilst this is an appropriate timeframe to inform the projections, the plan period for the review of the LDP runs up to 2031, and therefore some caution needs to be exercised in determining the likely level of growth anticipated for Caerphilly County Borough over a 20 year period based on 5 year trends.

4.13 Population growth is determined by the number of births and deaths in an area, referred to as natural change, and the number of people moving in to, and out of an area, both from elsewhere in the UK and from overseas, referred to as migration.

4.14 The assumptions used to inform the 2011-based projections for both births and deaths are considered realistic. The number of births is expected to decline over the plan period, and although people are living longer, the number of deaths is expected to increase due to the

post war baby boom. Therefore whilst the assumptions are based on short-term trends, they also accord with long-term trends.

- 4.15 Concerns are raised however regarding the appropriateness of the assumptions used in the WG projections in respect of migration. Since the late 1990s migration in the County Borough has been positive and the population decline that had been experienced in earlier decades has been halted. The last 5-years migration rates have however been affected by the recession, and Caerphilly County Borough has experienced a short-term trend of out-migration that is not reflective of longer-term trends. It is therefore considered appropriate to examine alternative assumptions in respect of longer term trends for migration, in order to examine what impact this could have on the future number of people and households in the County Borough.
- 4.16 Nine different scenarios were initially tested to examine the potential impact of different migration assumptions as follows:
- Scenario A : WG 2011 based Principal Projection
 - Scenario B - Ten-Year Average Migration Projection
 - Scenario C - Zero Net Migration Projection
 - Scenario D - Average Migration for SE Wales - 5 year average
 - Scenario E - Average Migration for SE Wales - 10 year average
 - Scenario F - Moderate Migration - 5 year average
 - Scenario G - Moderate Migration - 10 year average
 - Scenario H - Dwelling led - 10 year average completions
 - Scenario I - Dwelling led, continuation of adopted LDP housing requirement
- 4.17 However as a consequence of stakeholder input to the process a further four scenarios have subsequently been tested in response to important issues raised, specifically: 1) the impact of the reducing average household size up to 2031, 2) the need to test a jobs led scenario where people migrate into the area for jobs and the population increases as a result; and 3) the change in household membership rates which would increase the number of single person households in the county borough. Consequently the following scenarios have also been tested:
- Scenario J - Jobs-led
 - Scenario K - Household membership type change and SE Wales migration (10 years)
 - Scenario L - Long term average household size change and SE Wales migration (10 years)
 - Scenario M - Moderate average household size change and SE Wales migration (10 years)
- 4.18 BR3: Population and Housing Growth Options Background Paper (July 2014) discusses each of these options in considerable detail, and concludes that growth options A, B, E, H and M should be subject to further consideration by stakeholders as part of the pre-deposit public consultation stage of the review process.
- 4.19 These five alternative growth options provide clearly different growth scenarios for Caerphilly County Borough up to 2031, and these are summarised below.
- 4.20 By way of context, it is important to note that the 2011 Census indicated that the population of Caerphilly County Borough was 178,800 equating to 74,500 households. To further aid understanding, it is also helpful to note that the Adopted LDP required a minimum of 8,625 dwellings to be developed up to 2021, requiring the development of 575 dwellings a year, but actually made provision for 10,269 new dwellings to allow for flexibility and choice.
- 4.21 Scenario A: WG 2011 based Principal Projection assumes the re-establishment of the long-term trend of loss of population toward the end of the plan period through out-migration and a significant decline in the working age population. This would increase the population of the county borough by 4,500 people by 2031 to 183,300 (79,908 households) and require an

annual house-building rate of 280 dwellings per annum. This would equate to 6,160 new dwellings over the plan period.

- 4.22 Scenario B - Ten-Year Average Migration Projection assumes the main driver for population change is natural change (births and deaths) , although migration makes a small contribution to the overall population growth. This assumes no increase in population from 2028 onward and a decline in the working age population. This would increase the population by 5,850 people by 2031 to 184,650 (80,478 households) and require an annual house-building rate of 310 dwellings per annum. The dwelling requirements associated with this option would be low when compared to historic housebuilding rates. This would equate to 6,820 new dwellings over the plan period.
- 4.23 Scenario E - Average Migration for SE Wales - 10 year average assumes population growth would be due to a combination of natural change and in-migration leading to a sustained increase in population throughout the plan period. This scenario results in a slight decrease in the working age population. This would increase the population by 13,450 people by 2031 to 192,250 (83,093 households) and require an annual house-building rate of 450 dwellings per annum. This would equate to 9,845 new dwellings over the plan period.
- 4.24 Scenario H - Dwelling led - 10 year average completions assumes population growth would be due to a combination of natural change and in-migration leading to a sustained increase in population throughout the plan period. This scenario results in a slight decrease in the working age population. This scenario would increase the population by 14,200 people by 2031 to 193,000 (83,637 households) and require an annual house-building rate of 475 dwellings per annum. This would equate to 10,450 new dwellings over the plan period.
- 4.25 Scenario M – Moderate Average Household Size Change and SE Wales Migration (10 Yr Average). As the 2001-2011 change in average household size declined at a much slower rate than had occurred in the previous decade (1991-2001), it is appropriate to consider the impact on households if a long term AHS rate of decline is used rather than assuming a rate based on the trends of the last 10 years. In this scenario a moderate AHS has been applied to the Scenario E (*Average Migration for SE Wales – 10yr average*) projection. This would result in the AHS reducing from 2.39 in 2011 to 2.21 by 2031. This reduction has a direct impact on the number of houses to be provided. This scenario would increase the population by 13,450 people by 2031 to 192,250 and require an annual house-building rate of 600 dwellings per annum. This would equate to 12,000 new dwellings over the plan period.
- 4.26 On balance it is considered that Scenario M is the most desirable, realistic and robust option to inform the level of Population and Household Growth up to 2031, for the following reasons:
- The assumptions in respect of births and deaths are realistic having regard for both long and short-term trends;
 - The migration rates that informs this options are realistic and achievable having regard for long-term trends;
 - The Average Household Size reducing to 2.21 over the plan period is realistic when long term trends are take into account;
 - The house building rates of 600 dwellings per annum are realistic having regard to the long-term trends in the county borough;
 - The level of house building proposed is achievable over the plan period having regard for economic cycles within the plan period;
 - This option recognise the need to retain and attract younger working age people in the county borough in order to ensure the future economic prosperity of the area; and
 - This level of growth would help retain and sustain services and facilities. In particular, Scenario H will help sustain school provision over the plan period.
- 4.27 Early stakeholder engagement indicated that
- It would not be desirable to plan on the basis of short-term trends that reflect a period of economic recession; and

- It would not be acceptable to plan for a declining, ageing population as this would adversely impact on the ability of the area to sustain services, facilities and economic growth.
- There was a broad consensus that growth (housing and employment) needs to occur in the county Borough.
- Growth needs to be supported by appropriate infrastructure, including improvements to the road network between New Tredegar and Pontlottyn, consideration of a bypass for Maesycwmmmer and South East Caerphilly. Further consideration is required in respect of the railway network and in particular Machen to Newport, Risca to Newport, Nelson to Dowlais Top and the impact of the electrification of the railways to improve connectivity.
- Flexibility, is key to deliverability.
- New housing needs to cater for all sections of society but in particular affordable housing and housing for an ageing population needs to be prioritised.
- There is the need and desire to improve prospects for the young, providing employment and training so that they remain in the County Borough.
- The Heads of the Valleys Regeneration Area requires additional assistance to help boost home building.
- Any significant growth in the Southern Connections Corridor will result in the release of greenfield sites. The development of such sites needs to be undertaken sensitively to mitigate any landscape and ecological impacts.
- Improvements to the centre of Caerphilly through the creation of the South East By-pass are required to help alleviate the air quality issues in the centre of town.
- Development should be targeted at both the Southern Connections Corridor and Northern Connections Corridor.
- Transport links in all three strategy areas are in need of improvement if the Heads of the Valleys Area is to attract employment and housing growth.

4.28 The potential land use implications of meeting Scenario **M** now needs to be considered.

4.29 BR3: Population and Housing Growth Options Background Paper (April 2014) provides the methodology for determining the existing housing land supply at 2011 i.e. the base date for the plan. In summary, an allowance is made for sites with planning permission that had not been started, housing completions, units under construction, demolitions, windfalls and contributions from small sites and empty homes brought back into beneficial use.

4.30 Taking this existing land supply into account, there is already provision for approximately 5079 new dwellings as at 2011.

4.31 The additional land that would need to be identified to meet scenario M is thus calculated by subtracting the total housing land supply figure i.e. 5079 from the dwelling requirement (which includes 10% over-allocation to allow for flexibility and choice) to give a dwelling requirement figure for each scenario.

4.32 This dwelling requirement is then translated into land, based on an average density for housing development of 35 dwellings per hectare.

4.33 The land use implications of Scenarios M is therefore as follows:

- Scenario M would require the release of approximately 231 ha of additional land for housing development up to 2031 to accommodate an additional 8100 dwellings. This would make provision for a total of 12,000 dwellings over the plan period.

4.34 In order to help visualise how much land this is on the ground, it is useful to note that the Cwm Calon development in Ystrad Mynach is approximately 27 ha, Ty Du in Nelson is approximately 19 ha, Oakdale Plateau 1 is approximately 30 ha, whilst Bedwas Colliery is approximately 36 ha.

5. EQUALITIES IMPLICATIONS

- 5.1 Stakeholder engagement has been undertaken in line with the Agreed DA, which has full regard for the Citizens Engagement Strategy and the Equalities Strategy of the Council.

6. FINANCIAL IMPLICATIONS

- 6.1 There are no new financial implications.

7. PERSONNEL IMPLICATIONS

- 7.1 None

8. CONSULTATIONS

- 8.1 All comments received have been incorporated in the report.

9. RECOMMENDATIONS

- 9.1 Members are asked to provide their comments on the proposal that Population and Household Growth Scenarios A, B, E, H and M should be subject to further consideration by stakeholders as part of the pre-deposit public consultation stage of the review process.
- 9.2 Members are further asked to provide their comments on the proposal that Population and Household Growth Scenario M be used as the Preferred Growth Option and as a basis to underpin the Preferred Strategy for the Caerphilly County Borough Local Development Plan (First Review) up to 2031 prior to this being presented to Cabinet and Council for approval.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 Scenarios A, B, E, H and M are the most realistic and robust options to test as part of the stakeholder engagement as part of the pre-deposit public consultation stage of the review process.
- 10.2 Scenario M is the most desirable, realistic and robust option to be used as the Preferred Growth Option to underpin the Preferred Strategy for the Caerphilly County Borough Local Development Plan (First Review) up to 2031.

11. STATUTORY POWER

- 11.1 Part 6 Planning and Compulsory Purchase Act 2004.
- 11.2 Town and Country Planning (Local Development Plan)(Wales) Regulations 2005.

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Consultees: P. Elliott, Head of Regeneration & Planning
G. Williams, Interim Head of Legal Services/ Monitoring Officer
S. Aspinall, Acting Deputy Chief Executive
Cllr K. James, Cabinet Member for Regeneration, Planning and Sustainable Development

Appendices:

- Appendix 1 Summary of Stakeholder Feedback from LDP Focus Group and Standing Conference Event
- Appendix 2 Summary of Developer Panel Feedback (LDP Developer Panel – Engagement Event)
- Appendix 3 Summary of Stakeholder Panel – General Consultation Bodies Workshop Feedback (Caerphilly County Borough Local Development Plan (First Review) up to 2031 Stakeholder Event 23 June 2014 - Llancaiach Fawr)
- Appendix 4 Notes of LDP Focus Group Meeting (29.04.2014)
- Appendix 5 Frequently Asked Questions

Background Papers:

BR3: Population and Housing Growth Options Background Paper July 2014

[made available in the resource library]

Reports to Council 23rd November 2010 and 8th October 2013

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Summary of Stakeholder Feedback from LDP Focus Group and Standing Conference Event

Population and Household Growth

A summary of the views of each of the events is outlined below. However, there were common themes that were raised in each of the discussions. These included the need for growth to occur, the need to ensure that the appropriate infrastructure and industry are provided to support that growth. Additionally, planning for growth was supported, as long as this was undertaken in a sustainable fashion. Overall, Scenario E (with infrastructure improvements) or H was deemed the most suitable to inform public consultation on the Preferred Strategy.

Summary of comments:

- § Modest growth is needed in order to retain the balance between the economically active & ageing population.
- § There is a need to retain a balance between the economically active & ageing population.
- § Need to try to increase the younger profile of population.
- § Need to maintain population that is currently living in the county borough.
- § The modest growth scenario was felt to best achieve the corporate objectives of the Council in terms of the delivery of services and facilities and in order to sustain the area (Schools / Town Centres / Transport/ Social Services etc).
- § Growth is good and planning for decline is unacceptable.
- § Need to make the county borough an attractive place to live – especially noting the proximity to Cardiff.
- § Housing growth can only be sustained through transport improvements.
- § Transport is key, as is electrification of railways to improve connectivity to jobs and services. East/West link improvements are essential;
- § Need to build housing that people can afford.
- § Flat based apartments required for young that are affordable – however the price between house and flats are similar.
- § Need to provide a wide range of housing that would be flexible and grow/contract as households change.
- § Need to attract entrepreneurs to locate and invest here.
- § County borough cannot be viewed as one – southern part of the borough needs to be dealt with differently to the north
- § Poor opportunity for residents – need to reverse
- § Need to rationalise land and re-align employment allocations within the borough based on need.
- § Housing needs to be aligned geographically in terms of housing and employment and business opportunities.

- § Growth scenarios should be aspirational as well as reflect the different strategies.
- § Need to plan for success i.e. plan for economic growth.
- § Recognition that economic growth is dependent on issues and market forces outside of the county borough.
- § Two higher options (H and E) were the only ones that sought to retain (or gain) an element of the younger population.
- § Middle option provides for a degree of constraint, and therefore environmental mitigation.

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**LDP Developer Panel – Engagement Event
9th June 2014**

Attendees:

Mark Harris	- Home Builders Federation
Darren Parker	- RPS
Keith Warren	- Asbri Planning
Daniel Hodgekiss	- Persimmon Homes
Gareth Williams	- NLP
Christine Sullivan	- SLP
Zoe Abberly	- Barton Wilmore
Richard Price	- Barratt Homes

Facilitators:

Rhian Kyte, Victoria Morgan, Adeline Santos.

1) Welcome and Introductions

RK welcomed partners to the event and provided a short presentation to set the scene for the review of the LDP and where CCbC are in the review process.

2) Growth Options

VM gave a presentation to the group of the work undertaken to date in respect of the proposed Population and Household Growth Projections (attached).

Key observations from the Stakeholder group:

- § Fundamental to assess the household composition and size and its impact on future average household size – scenarios should consider longer term trends on average household size and also other possible changes in household membership.
- § There needs to be a labour forecast - projected employment and jobs growth and its impact on population levels.
 - All existing scenarios appear to be planning for an decline in economic activity.
- § WG highlight the need to increase house building across Wales, and the need for LPAs to ensure that they have a 5-year land supply.
- § The demand side of Household growth needs to be looked at independently from supply.
- § Flexibility required for deliverability.
- § Agreed that the WG projections in respect of fertility and mortality are acceptable.
- § Policies need to plan for growth – not managed decline.

- This needs to be set out clearly in Background Paper.
- § Caerphilly Basin is very attractive
 - Growth needs to be spread - infrastructure improvements will assist.
- § Need to factor in the Metro line , electrification and city regions in terms of potential impact on Migration patterns.
- § On face value, moderate growth is not favourable, however the group welcome the opportunity to comment on the draft background paper in due course.
- § Mismatch between population growth in the past and future projections (based on strategy of brownfield development).
- § Growth scenario 10,11,12 is required
- § Demand is not just about where developers want to build it's also about building where people want to live
- § Agreement on the methodology to be used to underpin the projections is critical. Whilst the group may not agree with the assumptions factored into the projections if the methodology is agreed then that will save considerable time in the future.

Way forward:

- § Compile a growth model based on an economic strategy that encourages growth.
- § Factor in reducing AHS to revert to past long-term trends and changes in household type.

There was a discussion concerning the need to address the issue of the 5,000 un-attributable people that appeared in CCBC between the 2001 and 2011 Census This has been an issue elsewhere and officers attention was drawn to South Worcestershire Examination Report, where a similar problem occurred.

The Group were thanked for their input and it was agreed that the Council would:

- 1) Test some alternative scenarios to reflect the comments made and assess what impact they would have on the projections;
- 2) Circulate the draft background paper to the group for comment;
- 3) Continue to work with the group with a view to obtaining agreement on the methodology to be used to underpin the projections.

**Caerphilly County Borough Local Development Plan (First Review) up to 2031
Stakeholder Event 23 June 2014
Llancaiach Fawr**

Meeting Notes*Attendees:*

Candice Coombs	Welsh Government
Rebekah Stephens	Welsh Government
Cllr. J Criddle	Blackwood Town Council
Ryan Greaney	Brecon Beacons National Park Authority
Cllr. J Hughes	Rhymney Community Council
Caren Richards	Cardiff City Council
Matthew Sharp	Newport City Council
Rebekah Stephens	Welsh Government
Stephen Thomas	Torfaen County Borough Council
Matthew Todd-Jones	Dwr Cymru/Welsh Water
Justin Waite	Merthyr Tydfil County Borough Council
Vic Warren	Council for the Protection of Rural Wales
Clive Williams	Aneurin Bevan Health Board
Cllr. D Williams	Rhymney Community Council
Jill Edge	Monmouthshire County Council

Facilitators from Strategic & Development Plans Team, Caerphilly**Welcome and Introductions**

Cllr James welcomed partners to the event and introduced the planning team (Rhian Kyte, Victoria Morgan, Kelly Collins, Ian Mullis and Timothy Norton).

Presentation: LDP First Review

The purpose of these sessions will be to obtain stakeholder input into the development of the alternative strategic options that will in turn inform the Preferred Strategy that will be subject of statutory public consultation in October 2014/November 2014.

The stakeholder feedback obtained through these mechanisms will serve to inform the Council of the appropriateness, or otherwise, of alternative spatial options and will help to determine the scale of future population and household growth that would result in the most sustainable future for Caerphilly County Borough up to 2031.

The Strategy that will be subject of consultation will be reported to Council in October 2014 (7.10.14).

The Call for candidate sites has taken place and submitted sites are in the process of being assessed. Approximately 170 sites have been received through this process.

Future Population and Household Growth up to 2031 – Facilitated Discussion

The groups discussed in depth how they would like to see Caerphilly County Borough grow and develop, and whether they would like to see the population decrease or to plan for growth.

The main outcomes from this facilitated discussions showed that all agreed that population increase can be positive, and that through growth there is the opportunity to create new housing that meets the needs for all. However, this should be balanced against providing opportunities for the young, and increasing their prospects so that they stay in the county borough. An increase in appropriate industry as well as infrastructure is key, as is balancing environmental factors against growth

Overall, with regard to social, economic and environmental considerations, there needs to be a consistent approach between the LDP and other, complementary, strategies, particularly the Capital Region. In light of this, although growth in Caerphilly County Borough needs to be stimulated, the role of other LAs, particularly Cardiff, needs to be recognised. Therefore, ambition must be tempered by realism. Care must be taken to ensure that Caerphilly does not become regarded as an overspill for Cardiff.

Presentation on Facts and Figures: Future Population and Household Growth

A detailed presentation was given in respect of the assumptions that underpin population and household projections, in particular trends related to births, deaths and migration were outlined to aid the discussion.

Building on work undertaken with other stakeholders, 5 population & household growth scenarios were outlined as follows:

- Scenario 1 -Welsh Government Principal Projections
- Scenario 2 –Ten-Year Average Migration Projection
- Scenario 3 – Average Migration for SE Wales
- Scenario 4 – SE Wales migration - long term AHS decrease
- Scenario 5 – SE Wales migration - moderate AHS decrease

Facilitated discussion on Preferred Growth Scenarios

The issues raised by each group are outlined below:

Group 1

Future Population and Household Growth up to 2031

The point was made that the level of population and household growth to be planned for should be dependent on the level of economic growth that can be achieved. In other words, employment, rather than housing, should be the determining factor. What type of employment does the Council want to attract?

There is a need to look at additional scenarios when forecasting population growth, including jobs-led. The Council is undertaking a jobs-led scenario.

A key factor in planning for growth is what it will cost. Growth is beneficial if it aids in sustaining, rather than pressurising, facilities, particularly with regard to an ageing population. Housing affordability remains an issue – housing diversification is fine if affordability is addressed.

The question was asked whether growth in Caerphilly should be seen to satisfy its own ends or whether the strategy should be based on its role within the wider region. The view was given that Caerphilly needs to try and take advantage of Cardiff-based prosperity.

The Heads of the Valleys continues to experience economic decline. This is a key issue within the context of the County Borough that needs to be addressed. Improvements to the transport structure in the HOVRA may help. There could also be opportunities to maximise the HOVRA's potential as a tourist destination.

Viability and deliverability are key issues for an LDP. There can be a conflict between deliverability and aspiration – a balance needs to be realised.

Preferred Growth Scenario

The LDP should plan for issues and places, not numbers, although it is assumed that it shouldn't plan for decline. It is hard to look at the numbers without knowing what they mean.

Scenario 1 is not realistic or sensible.

Additional scenarios are necessary – a jobs-led one, and one factoring in the influence of Cardiff.

Why is the existing strategy not working? How does an ageing population fit in with the dwelling requirement? The Council could look at affordable housing requirements in each strategy area.

Scenarios 2 and 3 – is it realistic to assume that the economy will still be in recession over half of the plan period?

More analysis is needed on migration figures. The LHMA should be referred to in terms of determining those areas in greatest need.

Scenario 5 was generally felt by the group to be the most reasonable, within the context of the numbers presented.

Preferred Spatial Option

The group's thoughts regarding each option are as follows:

Option 1

Why repeat a strategy that hasn't worked up until now? The supply of brownfield sites has been largely exhausted, although there may be capacity for 300/400 units in Risca following the completion of the flood alleviation works.

Option 2

Focusing development on sites in the HOVRA would be undeliverable without significant public subsidy. Transport infrastructural improvements may help make the area more attractive to developers, but this in itself would rely on public money.

Option 3

Targeting development to the NCC and the creation of a Maesycwmmmer Bypass may help push development further north.

Option 4

Large-scale release of greenfield land in the SCC, and the development of a South Eastern Bypass, would be the most viable option from the perspective of developers but carries with it environmental concerns and would have no benefit to the HOVRA.

Option 5

Targeting development to the NCC and SCC could bring about development of a Maesycwmmmer Bypass and phase one of a South Eastern Bypass. Development in NCC could have benefits to the HOVRA.

The preferred order of options was:

- First – option 5;
- Second – option 3;
- Third – option 4;
- Fourth – option 1;

Group 2

Future population and household growth up to 2031

What time of place do we want to create?

- Economic growth & employment creation is key – economic growth strategy
- We need to provide somewhere to live – need to consider ageing population & relevant support
- Need to provide affordable housing – either adapt current stock or provide new builds. Caerphilly has a current Council Housing Stock that will be subject to an Investment Programme e.g. in HOVRA. However the need is in the south of the Borough.
- Ideally, more builds > price of new homes decreases.
- Want housing development in HOVRA to be diverse – however, viability and attracting developers is an issue. There is a line where developers won't go north.
- Incentives for house builders in the North (e.g. smaller % affordable housing threshold).

- However, we are trying hard to encourage developers to the North (i.e. Zero CIL Charge) – is this enough? We need WAG incentives and employment creation to attract workers/developers.
- Need to link HOVRA with a core road/links to the M4 - At the moment, accessibility is poor and public transport costs are high (for commuters).
- Regeneration of HOVRA will create opportunities for development.
- Need accessibility without harming the environment – environmental constraints have restricted land availability.
- Need office development & a job industry – these need to be close to the M4 (hence why HOVRA unattractive).
- Need to consider South Wales Metro and link it with the Valleys as well as Cardiff, Newport & Swansea – this will help attract a new worker population.
- Farming & food production needs to be considered.

Do we want to plan based on short or long-term trends and why?

- We need to base population growth projections on 2011 population (census) and 2008 migration figures.

What do short and long term trends in terms of household formation and size, past house-building rates, migration, housing need, and economic growth suggest?

- Inward migration is good as it adds to the economy
- CCBC has a lot of in-migration from the region but not a lot of immigration from outside Wales.

What are the implications for planning for an ageing, declining population? What impact will that have on the economy, social services, facilities (schools, libraries, leisure centres), town centres, public transport, etc.?

- Support needs such as residential/medical care
- Have specific housing requirements – we want to maintain people in their own environment (in terms of care).
- However, under-occupation of family homes is counter-productive
- We need to give residents options to move if they wish (e.g. 1-bed flats or sheltered accommodation) – this can add to the housing mix in the borough.
- However, CCBC doesn't have enough flats available apart from Government or Council owned.
- We have an ageing population with lower income and higher vacancy rates, which leaves a 'worklessness' population that is stuck in poverty.

What are the implications of planning for growth?

- Growth is necessary but it can't be continuous – it has to stop eventually.
- We need to keep our Greenfield land and encourage re-development of available brownfield.

Are we planning to attract economically active people into the area? If so what do we need to do to achieve this - where will they live/work? What facilities and services do they need?

- Employment creation – economic growth strategy

- However, it is difficult for youngsters/workers in HOVRA – we need to upskill the population across the Heads of the Valleys (including neighbouring authorities such as RCT).
- We need to sort out employment in the HOVRA to encourage worker spend.

Preferred growth scenario with reasons why – facilitated discussion

General Discussion

- Registered GP population hasn't grown by the projected amount since 1990s – is there another growth option based on this?
- There has been underestimation of population since Poll Tax introduced.
- Need to focus growth within the boundary but also be aware of the need for cross-boundary cooperation
- What age can 'working-age' be defined as nowadays – people are living longer?
- Concern that, even with an average of 450 homes/year, young people will still be unable to afford housing.
- Until we build over-average, we will still be looking at this issue in 10 years time – we should control development and ensure developers build within limited time periods (e.g. by way of planning conditions).
- We need to be building more housing than average, i.e. 530 homes needed to achieve affordable housing need – however, a plan for 20 years can't necessarily achieve this.
- CCBC is concentrating on upgrading the existing affordable housing stock so unable to build many new at present.
- We need growth that delivers affordable housing
- We need growth that delivers employment opportunities
- At what point will we be unable to accommodate new builds because of environmental constraints? – Restricting land in the south (e.g. Risca).
- We can't base economic growth on housing provision only.
- School rationalisation will release some brownfield sites but we are looking at Greenfield release.

Scenario 2

- Not spreading growth to valleys – instead house building will be concentrated in Cardiff.
- However, to achieve a 5-year land supply we need lower figures such as these.
- WAG commented that 5-year land supply requirement isn't necessarily all down to land allocation – there are other factors

Scenario 3

- Focus should be somewhere between 3&4 – we need to build more houses than we think.

Scenario 4

- Discussion with regards to 'average household size' not being a good enough basis for scenario 4
- CPRW thought this was over-provisional (although the previous LDP over-allocated) – this may be unachievable (e.g. 5 year housing supply).
- Over-providing may have a detrimental impact on services – unsustainable.

- It was noted that the statistics used were based on the LMHA survey and the development-industry fed into this.
- However, WAG commented that there is unattributed growth for 5,000 people that hasn't been factored into these population trends – RK to discuss further.
- One of the participants questioned whether scenario 4 was realistic for 2031 as a reversal of trends.
- WAG commented that we wouldn't want household projections are large as they are in 2031.
- Others favoured this option and commented that we need to take the 'mid-point' and take this forward as a 'best guess' option.
- Aneurin Bevan HB commented that we should use an average household size between 2 figures in order to get a range – however, existing figure for AHS was based on the survey results.

Preferred Option

- The majority preferred Option 4 or 5 – these would be key to promoting growth, delivering affordable housing & encouraging inward migration.
- It should be noted that CPRW disagreed/objected to this scenario as it is 'over-provisional' – preferred scenario 1 or 2.

Alternative spatial scenarios for growth

Advantages	Disadvantages	General Comments
Scenario 1		
<ul style="list-style-type: none"> • Most viable – the market is in the SCC • Developer's choice • Could be some ripple effect upwards towards NCC (evidence of this in past e.g. Ystrad Mynach Hospital & College – regeneration). 	<ul style="list-style-type: none"> • Brownfield allocation would prevent ripple effect across valleys region (not good for regeneration of HOVRA). • Lose sites to Cardiff as not enough suitable land for development (e.g. Greenfield land). 	<ul style="list-style-type: none"> • SLA or VILL need to be factored in to development • We will eventually find developers if we dictate where to go (i.e. NCC and HOV) – although this will displease larger developers/be unattractive.
Scenario 2		
<ul style="list-style-type: none"> • HOV regeneration (ripple effect upwards) • Encourage developers/new builds in HOVRA • Good for 	<ul style="list-style-type: none"> • Heavily reliant on public subsidy • Release of sites in HOV won't be able to facilitate infrastructure delivery if viability comes into play 	<ul style="list-style-type: none"> • Public transport is usually from 'Cardiff-upwards' – why not across the borough (NCC)? • Metro & upgrading

<p>environment – protect Greenfield in SCC</p> <ul style="list-style-type: none"> • Following existing discussed rail line • Growth & jobs • Preferred option IF we had the money 	<ul style="list-style-type: none"> • If no road built then strategy would fail – need to undertake feasibility study • Not deliverable – market (private housing) not attracted to HOVRA 	<p>existing lines will need to be factored in</p> <ul style="list-style-type: none"> • Council should dictate where we/the community wants development and take charge – shouldn't be developer led • We need partnership with developers to work out a strategy • The purpose of a plan-led system is to gain control – however this is subject to deliverability/viability issues •
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Scenario 3

<ul style="list-style-type: none"> • Constrain development in South • Pontllanfraith & Oakdale brownfield school sites could be development opportunities (brownfield) • Open up railway line from Nelson-Merthyr – this would make Nelson an attractive place to live • Crumlin station to be built = good accessibility/solve bottleneck issues • Bypass would help alleviate 	<ul style="list-style-type: none"> • Reliant on strategic site in Maesycwmmmer (for the bypass) • Strategic site owned by multiple landowners – difficulties in securing land • Developer would need to finance part of the bypass (release of the Greenfield land will help fund this) – will be an issue if there isn't enough developer money to fund the bypass • Greenfield loss 	
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<p>bottleneck/traffic issues in Maesycwmmmer</p> <ul style="list-style-type: none"> • Good interim for the 2031 period before we consider other sites (e.g. HOVRA) as it will establish development and road infrastructure beforehand • CIL receipt can help fund bypass 		
Scenario 4		
<ul style="list-style-type: none"> • Environmental benefits (remove congestion from the centre) • Massive site by Train Station in Caerphilly – central, remove highly contaminated site, good accessibility • Bring disused Machen railway line back into use • CIL receipts – could generate revenue to be used for northern regeneration in the future • Balance between good sites (Greenfield) & difficult sites (remediation) 	<ul style="list-style-type: none"> • Conflict between 40% affordable threshold and CIL charge in SCC – needs consideration • Doesn't initially benefit HOVRA but could fund development through CIL receipts 	
Scenario 5		
<ul style="list-style-type: none"> • Crumlin & Nelson railway lines opened 	<ul style="list-style-type: none"> • Building houses where people want to live 	<ul style="list-style-type: none"> • Is a dispersal strategy across the NCC more

<ul style="list-style-type: none"> • Equitable growth – win-win for most parties • Smaller releases of land in Caerphilly could encourage developers to move northwards (ripple effect) • Lower affordable housing threshold may encourage developers to go northwards 	<p>drives prices up</p> <ul style="list-style-type: none"> • There is an affordable market in the south but this is lacking in the north 	<p>viable than releasing strategic site/s in the centre of the Borough?</p>
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LDP FOCUS GROUP
Meeting 9.30am, 29th April 2014
Conference Room, Business & Technology Centre, Tredomen Park.

Notes of Meeting

Present

Councillors

Attendees:

Cllr Andrews	Leader
Cllr Carter	Chair of the Planning Committee
Cllr David	Vice-Chair of the Planning Committee
Cllr Havard	Sustainable Development Advisory Panel Representative
Cllr James	Cabinet Member for Regeneration, Planning & Sustainable Development
Cllr Mann	Leader of the Majority Opposition
Cllr R Passmore	Cabinet Member for Education and Lifelong Learning
Cllr D Poole	Cabinet Member for Community and Leisure Services
Cllr K Reynolds	Deputy Leader
Cllr J Taylor	Cabinet Member for A nominated member of the Majority Opposition

Apologies

Cllr G Jones	Cabinet Member for Housing (Deputy Leader)
Cllr D Rees	Nominated member representing the Independents
Cllr T Williams	Cabinet Member Highways, Transportation & Engineering

Officers

Attendees: P Cooke- Team Leader, Sustainable Development & Living Environment

P Elliott - Head of Regeneration & Planning
R Hartshorn- Head of Public Protection
C Jones - Head of Performance and Property

J Rogers - Principal Solicitor for Planning, Land and Highways
T Shaw - Head of Engineering Services
T Stephens - Development Manager, Planning

Apologies S Couzens - Head of Housing Services
L Jones - Acting Head of ICT and Customer Services
M Donovan - Assistant Director Our Schools Our Future
J Williams - Assistant Director Social Services

Facilitators: R Kyte – Team Leader, Strategic Planning
V Morgan – Principal Officer, Strategic Planning
K Collins - Principal Officer, Strategic Planning
A Santos – Senior Officer, Strategic Planning

1. Introduction

2. Apologies

Apologies given and noted above.

3. Notes of Meeting – 19th July 2013

Cllr Mann raised the issue over female representatives on the Focus Group.

Notes approved as an accurate record of the meeting.

4. Terms of Reference of the Group

Revised Terms of Reference formally approved.

5. Update on LDP First Review

An important feature of the development plan process is the emphasis on identifying and testing realistic strategy options to deliver the Vision and Objectives of the plan over the plan period.

As the Council already has an adopted LDP there will be a need to assess whether the existing Development Strategy for the county borough remains appropriate within the context of the revised plan period and also within the changing regional context.

In order to test the existing strategy against alternative scenarios a series of stakeholder meetings and events will be undertaken throughout the spring of 2014 in line with the Agreed Delivery Agreement (February 2014) as follows:

<u>29 April 2014</u>	<u>LDP Focus Group</u>
30 April 2014	PDM
9 May 2014	Event with Members of Standing Conference
12 May 2014	Stakeholder Event (Developer Workshop)
22 July 2014	Report to Council – Feedback on Stakeholder Event and Council Decision on Growth Options

The purpose of these sessions will be to obtain stakeholder input into the development of the alternative strategic options that will in turn inform the Preferred Strategy that will be subject of statutory public consultation in October 2014/November 2014.

The stakeholder feedback obtained through these mechanisms will serve to inform the Council of the appropriateness, or otherwise, of alternative spatial options and will help to determine the scale of future population and household growth that would result in the most sustainable future for Caerphilly County Borough up to 2031.

The Strategy that will be subject of consultation will be reported to Council in October 2014 (7.10.14).

The Call for candidate sites has taken place and submitted sites are in the process of being assessed. Approximately 170 sites have been received through this process.

6. **Future Population and Household Growth**

A detailed presentation was given in respect of the assumptions that underpin population and household projections, in particular trends related to births, deaths and mortality were outlined to aid the discussion.

In order to consider the impact of different assumptions of future population and household growth, nine separate scenarios have been considered as follows:

Scenario A : WG 2011 based Principal Projection

Scenario B - Ten-Year Average Migration Projection

Scenario C - Zero Net Migration Projection

Scenario D - Average Migration for SE Wales - 5 year average

Scenario E - Average Migration for SE Wales - 10 year average

Scenario F - Moderate Migration - 5 year average

Scenario G - Moderate Migration - 10 year average

Scenario H - Dwelling led - 10 year average completions

Scenario I - Dwelling led, continuation of adopted LDP housing requirement

Officers have considered each of the options in detail, and growth options A, B, E & H were highlighted to the Focus Group as the more realistic and robust options for consultation purposes as part of the pre-deposit public consultation stage. Consideration of these options will serve to inform the Preferred Strategy up to 2031 at the later stage of the review process.

There was a discussion concerning the use of the WG Principal Projection for planning purposes. The group were advised that the Principal Projection is the starting point for consideration and that using local evidence alternative scenarios are also acceptable subject to the availability of robust evidence. This approach has recently been reinforced by a advisory letter from WG.

The Group was split into two to discuss the options. The following Notes outline the discussion in each group:

Session 1: Population

Group 1

§ A broad discussion was had regarding in-migration, house prices, increasing longevity, transportation, improving the perception of

the borough and external factors including increased development along the M4 corridor and in particular the North of Cardiff.

§ It was noted that there is a need to retain a balance between the economically active & ageing population.

§ Discussion was had to the rationalisation of land and the need to re-align employment allocations within the borough based on need.

Group 2

§ Need to try to increase the younger profile of population.

§ Need to maintain population that is currently here, and to add industry.

§ Transport is key, as is electrification of railways.

§ County borough cannot be viewed as one – southern part of the borough needs to be dealt with differently to the north

Session 2: Preferred Growth Scenario

Group 1

§ The group identified the need to achieve modest growth in order to retain the balance between the economically active & ageing population

§ The modest growth scenario was felt to best achieve the corporate objectives of the Council in terms of the delivery of services (Education / Schools / Social Services etc)

§ The Group concluded that growth is good and that planning for decline is unacceptable

Group 2

§ Need to make it an attractive place to live – especially noting our proximity to Cardiff.

§ Attract small industry – get entrepreneurs to locate and invest here.

§ Cardiff is a key link

§ Housing growth can only be sustained through transport improvements.

§ Poor opportunity for residents – need to reverse this.

§ Need to build housing that people can afford.

§ Flat based apartments required for young that are affordable – however the price between house and flats are similar.

§ Need to provide a wide range of housing that would be flexible and grow/contract

§ CCB can't be seen in isolation.

Session 3: Spatial Options discussions

A functional analysis has been undertaken of the county borough as part of the work on the review and it is considered that the existing broad strategy areas remain valid.

Five potential spatial options should be tested for consideration at pre-deposit public consultation stage. Consideration of these options will in turn serve to inform the revised Preferred Strategy up to 2031 at the later stage of the review process.

The various alternative spatial options provide clearly different spatial development scenarios in respect of future new housing and employment development; each of which will have different environmental, social and economic outcomes for Caerphilly County Borough up to 2031.

Many of the component parts of the spatial options will be common to each of the strategies, specifically the future direction for the Principal Towns and Local Centers, the need for the school rationalisation process to be reflected and the need to ensure that the strategic infrastructure to support any new development is fit for purpose.

In particular all options will need to consider the Council's need for improvements to the strategic transportation infrastructure, in particular:

- opportunities to maximise the use of public transport to improve connectivity throughout the county borough;
- opportunities for the reopening of rail lines, specifically: the Caerphilly Machen / Newport rail line; and a passenger service on the Cwmbargoed line to Dowlais;
- provision of new stations, in particular at Crumlin;
- an increased provision of Park & Ride where practicable;

In terms of the Strategic Highway infrastructure there is a need to consider the need or otherwise for:

- a strategic highway corridor for the Upper Rhymney Valley to link New Tredegar and Pontlottyn;
- a Maesycwmmmer Bypass; and for
- a SE Bypass for Caerphilly.

RK outlined are the key components for each of the Spatial Options that serve to highlight the different approach to development across the county borough. The five options considered were:

- **Spatial Option1: Continuation of the Adopted LDP Preferred Strategy**
- **Spatial Option 2: Targeting Growth to the Heads of the Valleys Regeneration Area and the Northern Connections Corridor**
- **Spatial Option 3: Targeting Growth to the Northern Connections Corridor**
- **Spatial Option 4: Targeting Growth to the Southern Connections Corridor**

- Spatial Option 5: Targeting Growth to the Northern and Southern Connection Corridors

The Group were then asked to consider each option and identify one component for each strategy that they strongly supported and one that they strongly opposed. The table below indicates the views of the two groups:

Spatial Option 1- Continuation of the Adopted LDP Preferred Strategy.

	Group 1	Group 2
Components Support	Generally supported all components, in particular components 4 & 6	All key components
Components Oppose	It was noted that whilst component 3 is supported (Development opportunities in HOVRA), this is difficult to deliver	<i>Viability of schemes</i>

Spatial Option 2 - Targeting growth to the Heads of the Valleys Regeneration Area.

	Group 1	Group 2
Components Support	The group strongly supported component 3, public sector intervention required to deliver the necessary infrastructure. This was seen as integral to the success of the HOVRA	All key components
Components Oppose	There were no specific components that were opposed	<i>Viability of schemes</i>

Spatial Option 3 - Targeting Growth to the NCC

	Group 1	Group 2
Components Support	Component 5, Maesycwmmer Bypass was strongly supported and was seen as a vital infrastructure link. Component 7, the reallocation of suitable surplus employment land	Partial support of 5 – improvements to infrastructure required.

	was also supported	
Components Oppose	There were no specific components that were opposed	11- Release of some Greenfield sites & Agricultural lands. 7 - Loss of all integral and available employment sites.

Spatial Option 4 -Targeting growth to the SCC

	Group 1	Group 2
Components Support	The Group were generally in support of targeting development to reflect the role & function of individual settlements	5 – improving rail network to facilitate opening of Caerphilly – Machen – Newport rail line 7 – supporting Caerphilly Castle & tourism opportunities.
Components Oppose	The Group felt that targeting substantial development solely to the SCC was not balanced and was tailored to developers and not the community within the County Borough. They felt that this option signalled that we are giving up hope on attracting development to the NCC & HOVRA.	9 – this would impact the SCC severely 4 – would need to be done sensitively, if at all.

Spatial Option 5- Targeting growth to the NCC and SCC

	Group 1	Group 2
Components Support	Component 2, targeting development to both the NCC & SCC was perceived as a more balanced approach to development Component 4, improving the strategic highway infrastructure was also supported but there was more of a bias towards the Maesycwmmmer bypass as this was perceived as a more strategic objective	Improvements to infrastructure.

	with the potential to also improve connectivity to the HOVRA.	
Components Oppose	There were no specific components that were opposed	There were no specific components that were opposed

Overarching themes

- Infrastructure is required against all spatial options to improve resilience. Relief Road in HOVRA estimated to be approx £50 million.

On balance, what is the groups preference for the five options?

	Group 1	Group 2
Spatial Option 1: Continuation of the Adopted LDP Preferred Strategy.		
Spatial Option 2: Targeting growth to the Heads of the Valleys Regeneration Area.	This would be a desirable option – however not viable and unrealistic without significant public subsidy / Regeneration / European funding	This would be the desirable option – however not viable.
Spatial Option 3: Targeting Growth to the NCC		
Spatial Option 4: Targeting growth to the SCC		
Spatial Option 5: Targeting growth to the NCC and SCC	This appeared to be the most preferable option with a bias towards the Maesycwmmmer bypass	This is the most desirable spatial option, with modifications to include those aspects highlighted in the ‘support’ fields above for other Spatial Options.

The group were thanked for their input.

Meeting closed 12.30.

Frequently Asked Questions

Question 1: Why do we need to develop any more new houses in Caerphilly County Borough?

- 1) The Population is expected to increase up to 2031 and therefore more houses will be required.
- 2) There is an existing shortage of affordable housing within the county borough to meet existing housing need. This has to be addressed, particularly in the south where house prices make it difficult for people to meet their basic housing need. (Latest figures indicate an existing shortfall of 530 affordable homes per annum - 2011).
- 3) The need for more affordable homes will increase over the plan period if new homes are not delivered.
- 4) There is a need to diversify the housing stock so that there is a wider range and choice of housing and housing tenures available to meet the needs of different sections of our community, in particularly the elderly, first time buyers, single person households.
- 5) The diversification of the housing stock will encourage younger and more affluent members of the population to remain in the county borough and will also attract people into the area.
- 6) For every £1 of spending on housing construction it is estimated that £2.60 gross output will be generated across the economy as a whole¹
- 7) There are long-term positive benefits in terms of health and related economic outcomes from ensuring that decent quality homes are provided for all irrespective of income.¹
- 8) Even if the number of people in the county borough stayed the same, we would need more houses.

Question 2: Why do you think we would need more houses for the same number of people in the future?

- 9) We would need to build more housing for the same number of people because we know that:
 - a. Households are getting smaller – albeit at a slower rate than anticipated. So the same amount of people form more households and therefore need more houses.
 - b. The type of household is changing – e.g 1 person households are expected to increase by 19.5% over the plan period.

¹ The Role of Housing in the Economy : A Final Report by Regeneris Consulting and Oxford Economics 2010

- c. We have an existing housing need for additional affordable housing

Question 3: Why are households changing?

- 10) 1 person households are expected to increase by 19.5% over the plan period as people live longer or choose to live alone;
- 11) Lone parent households (1 adult, 1 child) are expected to increase significantly over the plan period as the marriages break down and single people have children;
- 12) Larger households - 5+ person (1 adult, 4+ children), 5+ person (no children), 4 person (no children) are expected to increase significantly over the plan period.
- 13) Some of the larger households are likely to indicate concealed households as:
 - a. First Time Buyers are forced out of the housing market due to issues of affordability;
 - b. More students stay at home to study, instead of moving away (tuition fees);
 - c. Elderly relatives living with children as a consequence of ill health or lack of appropriate housing to accommodate their needs. Why are household sizes getting smaller and changing?

Question 4: Do you know roughly what the Average Household Size (AHS) is in Caerphilly?

- 14) In 2008, AHS was 2.31 and this was projected to drop to 2.03 by 2025?
- 15) The 2011 household based projections indicate that in 2011 Caerphilly AHS was 2.39 in 2011 and expected to decrease to 2.27 by 2031.
- 16) The Adopted LDP assumed an AHS of 2.2 over the plan period, significantly lower than that projected for 2031.

Question 5: Why do you think the local planning authority needs to have regard to Average Household Size and how it is likely to change?

- 17) AHS impacts directly on the number of houses that are needed over the plan period.
- 18) Different size households, require different size homes.
- 19) Different types of household, need different types of housing i.e. students, elderly, lone parents, young couples, families with children all have differing needs and aspirations.
- 20) The more the AHS declines, the more housing is required for the same number of people.

Question 6: Other than AHS what do you think are the other main factors that influence population change and thus housing need?

- 21) Natural change - the difference between deaths and births
- 22) Net migration - the difference between those moving in and those moving out of an area

Question 7: Which of these do you think planning can influence?

- 23) For planning purposes there is a fundamental difference between these two factors, in that:
 - a. natural change is largely uninfluenced by actions of the planning authority;
 - b. whereas migration can be directly affected, for example by the provision of additional land for housing.

Question 8: Who do you think decides how much growth we should take over the plan period?

- 24) It is a policy decision for the Council to determine, in consultation with relevant stakeholders, i.e. residents, development industry, utility providers, other public bodies etc the level of growth that should be provided for over the plan period
- 25) The starting point when considering housing provision should be the latest Welsh Government projections which are the 2011-based projections
- 26) The Local Planning Authority is then required to consider if they are appropriate using all available evidence, such as alternative longer term trends, desirable levels of migration, household formation and size, past housebuilding rates, housing need, economic growth.
- 27) The level of growth proposed will be the subject of full statutory public consultation and is open to challenge and scrutiny through a formal examination process.

Other Considerations

Before we consider what level of growth the county borough should seek to accommodate up to 2031, we need to consider how we see the county borough in 2031.

- 28) Our Vision for Caerphilly is therefore extremely important. What type of place do we want to create?
- 29) Who do we want to live here?
- 30) Do we want to plan based on short or long term trends and why?
- 31) What are the implications of planning based on short term trends?
- 32) What are the implications of planning based on long term trends?
- 33) What do short and long term trends in terms of household formation and size, past housebuilding rates, migration, housing need, and economic growth suggest?
- 34) Ultimately each different set of assumptions factored into a projection will result in a different population and household growth scenario
- 35) Are we planning for a declining, ageing population or something else?
- 36) What are the implications for planning for an ageing, declining population? What impact will that have on the economy, social services, facilities (schools, libraries, leisure centres), town centres, public transport, etc.?
- 37) What are the implications of planning for growth?
- 38) What are the implications of different levels of growth – low, moderate, high?
- 39) Are we planning to attract economically active people into the area? If so what do we need to do to achieve this - where will they live/work? What facilities and services do they need?

- 40) How does our growth strategy fit with our neighbouring local authority strategies and aspirations?
- 41) What do we need to do to deliver the preferred growth option: who, when how?
- 42) What is the environmental capacity of the county borough, can it accommodate further growth?
- 43) Can the infrastructure of the area support further growth , if not what do we need to do to accommodate it?
- 44) The Council in its consideration of these matters needs to ensure that the evidence to support its preferred option is robust and can withstand public scrutiny and challenge.



CABINET – 1ST OCTOBER 2014

SUBJECT: LOCAL DEVELOPMENT PLAN – ANNUAL MONITORING REPORT 2014

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151 OFFICER

- 1.1 The attached report, which outlined the contents of the Caerphilly County Borough Local Development Plan 2014 Annual Monitoring Report (AMR) was considered by the Regeneration and Environment Scrutiny Committee on 16th September 2014. It seeks the views of Cabinet before it is referred to Council for determination.
- 1.2 The conclusions of the 2014 Annual Monitoring Report were outlined to Members, with the 2014 AMR recommendations as follows:-
 - R1 The 2014 Annual Monitoring Plan has indicated that substantial progress has been made in implementing the Caerphilly County Borough Local Development Plan up to 2021 and that the Development Strategy is being effective.
 - R2 That limited greenfield release be considered on sites that are acceptable in planning terms in order to address the lack of a five year land supply in the short term.
 - R3 That the First Review of the Caerphilly County Borough Local Development Plan continue to be progressed in line with the Welsh Government and Council Agreed Delivery Agreement (13th February 2014).
- 1.3 Members raised concerns with regard to Recommendation 2 of the Annual Monitoring Report, particularly in view of the impact this could have on the release of greenfield sites within the Authority. Officers confirmed that any such potential releases would be determined on their individual merit following a detailed assessment of the sites against the Caerphilly County Borough Local Development Plan and taking into account all other planning and material considerations.
- 1.4 Following discussion on the content of the report, the Regeneration and Environment Scrutiny Committee considered and noted the findings of the 2014 Annual Monitoring Report and the implications of the recommendations detailed therein and unanimously recommended that:-
 - (i) The 2014 Annual Monitoring Report be referred to Cabinet for consideration;
 - (ii) The 2014 Annual Monitoring Report be submitted to the Welsh Government before the deadline of 31st October 2014.
- 1.5 Members are asked to consider these recommendations.

Author: R. Barrett, Committee Services Officer, Ext. 4245

Appendix 1: Report to Regeneration and Environment Scrutiny Committee on
16th September 2014 – Agenda item 15

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**REGENERATION AND ENVIRONMENT SCRUTINY COMMITTEE –
 16TH SEPTEMBER 2014**

SUBJECT: LOCAL DEVELOPMENT PLAN – ANNUAL MONITORING REPORT 2014

REPORT BY: ACTING DEPUTY CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 For members to consider the findings and recommendations of the Caerphilly County Borough Local Development Plan 2014 Annual Monitoring Report (AMR).
- 1.2 To recommend that the 2014 Annual Monitoring Report be approved by Cabinet and thereafter Council.
- 1.3 To recommend to Cabinet and thereafter Council that the 2014 Annual Monitoring Report be submitted to the Welsh Government (WG) in order to satisfy the Council's statutory requirements.
- 1.4 Glossary of terms used in this Report

LDP	Caerphilly County Borough Local Development Plan up to 2021 (Adopted November 2010)
2014 AMR	Caerphilly County Borough Local Development Plan 2014 Annual Monitoring Report
WG	Welsh Government
SEA/SA	Strategic Environmental Assessment /Sustainability Appraisal

2. SUMMARY

- 2.1 It is a statutory requirement that the Council submits an Annual Monitoring Report to the Welsh Government that monitors whether or not the LDP is being implemented successfully. The overall purpose of the AMR is to identify whether the LDP Strategy, or any the Strategy Policies are not being implemented and if they are not identify steps to rectify this.
- 2.2 This is the third AMR to be prepared for Caerphilly County Borough Local Development Plan (LDP) and it monitors the period from 1st April 2013 to 31st March 2014. The Council is required to submit the 2014 AMR to WG by the 31st October 2014.
- 2.3 Monitoring of the plan for 2013/14 indicates that no new Strategy Policies have been triggered. No intervention is necessary at this time, as all policies will be reassessed as an integral part of the LDP Review
- 2.4 The 2014 AMR also includes the results of the SEA/SA monitoring, which is required by the SEA Directive and national guidance. The SEA/SA monitoring found an overall positive change in the state of the environment, meaning that the environmental position has improved slightly

since the adoption of the LDP in 2010.

- 2.5 The 2014 AMR is also required to include information relating to 12 mandatory indicators, which are specified by Welsh Government. These indicators are included in Appendix 5 of the 2014 AMR.
- 2.6 An overview of the LDP Monitoring Data for the 2014 AMR provides an interesting insight into the implementation of the LDP over the monitoring period. Of particular note for 2013/14 is the following:
- The annual house-building rate decreased slightly over the period from 390 to 344 dwellings in the previous year.
 - The housing land supply figure decreased from 3.5 to 2.9 years using the Welsh Government preferred residual method.
 - The average house price fell from £97,272 to £94,272.
 - Unemployment fell from 9% to 8.4%.
 - The number of residents in employment increased from 73,700 to 78,700.
 - There was a general drop in commuting rates as a percentage of all commuting both in terms of out commuting for work, but a slight rise in out commuting generally from 45.9% to 50%.
 - Vacancy rates in the Principal Towns of Caerphilly and Risca/Pontymister decreased over the period whereas vacancy rates in, Blackwood, Bargoed increased. Vacancy rates in Ystrad Mynach remained the same.
 - Footfall in the Principal Town Centres declined by 19.48%, a significant increase from the previous years figure of 7.38%
 - The number of schools over subscribed in terms of the school rolls increased from 4 to 5.
 - The use of aggregates within the construction industry continued to fall.
 - The amount of new development on brownfield sites increased.
- 2.7 The 2014 AMR concludes that substantial progress has been made in implementing the Caerphilly County Borough Local Development Plan up to 2021 and that the Development Strategy is being extremely effective.
- 2.8 It is important to note that the 2013 AMR triggered the first review of the LDP in October 2013 as a consequence of its findings. These issues remain the same for the 2014 AMR. Consequently the 2014 AMR recommends that the First Review of the Caerphilly County Borough Local Development Plan continues to be progressed in line with the Welsh Government and Council Agreed Delivery Agreement (13 February 2014).

3. LINKS TO STRATEGY

- 3.1 The Council has a statutory duty to prepare and review a Local Development Plan for its area to provide the policy framework for the development and use of land within the County Borough. On 23 November 2010, the Council formally adopted the Caerphilly County Borough Local Development Plan up to 2021(LDP) and has since been monitoring the progress of the plan through its Annual Monitoring Report (AMR).
- 3.2 The submission of the 2014 AMR to Welsh Government is a statutory procedure associated with the Adopted LDP. The LDP has, through its preparation, incorporated the Council's land use objectives and the AMR monitors whether the LDP, and therefore the Council's Land Use Objectives, are being successfully implemented.

4. THE REPORT

Background

4.1 The Council formally adopted the Caerphilly County Borough Local Development Plan (LDP) on the 23 November 2010. Following the adoption of its LDP, the Council has a statutory obligation, under section 61 of the Planning and Compulsory Purchase Act 2004 to keep all matters under review that are expected to affect the development of its area. Further, section 76 of the Act requires the Council to produce information on these matters in the form of an Annual Monitoring Report for submission to the Welsh Government. The 2014 AMR monitors the period from 1st April 2013 to 31st March 2014 and it is required to be submitted to WG by the 31 October 2014.

4.2 Whilst the LDP was adopted in November 2010 and runs up to 2021, the base date of the plan is 2006. There have been many changes that will impact on the successful implementation of the LDP since this date, the most notable of which are:

- The downturn in the global economy, which has impacted on the commercial and housing property markets;
- The identification and availability of sites for development within the region through the preparation of local development plans, most notably Cardiff City and Newport City given their proximity to the Southern Connections Corridor;

4.3 Given the changes in the Welsh Economy and the changes in the regional context, the 2014 AMR once again considers whether the Development Strategy that underpins the LDP remains valid; and will assess whether or not the Strategy Policies contained in the LDP are being effective in delivering the Development Strategy and meeting the objectives of the plan until such time as the LDP is formally reviewed.

4.4 It is important to note that the 2013 AMR triggered the first review of the LDP in October 2013 as a consequence of its findings. The issues highlighted within the 2013 AMR that triggered the first review of the LDP remain the same for the 2014 AMR.

4.5 The Town and Country Planning (Local Development Plan) (Wales) Regulations 2005 and the LDP Manual (available on the Welsh Government web site) specify what the 2014 AMR is required to include as follows:

- An Executive Summary
- Review of changes to national and regional policy and guidance and their implications for the LDP.
- SEA/SA Monitoring based on the SEA/SA Monitoring Framework (LDP Appendix 18).
- LDP Monitoring based on the LDP Monitoring Framework (LDP Appendix 19).
- Statutory Indicators.
- Recommendations on the course of action in respect of policies and the LDP as a whole.

In addition to the above the 2014 AMR also considers external influences which impact on the implementation of the LDP but which are very much outside of the Council's control. Nevertheless the Council should consider whether or not a change in its policy framework could serve to alleviate some of the issue raised by these external factors.

4.6 Copies of the full 2014 AMR entitled "Caerphilly County Borough LDP Third Annual Monitoring Report 2014" together with the background statistical tables have been placed in the resource library for members' information.

Report of Findings

External Influences

4.7 The 2014 AMR considers the external factors that have had, or could have, an influence on the implementation of the plan and thus on development in the County Borough. These include changes in:

- National policy or legislation;
- External conditions;
- Local Considerations

National policy and Legislation

4.8 The 2014 AMR is required to identify documents, at national and regional level, that may have implications for the policies in the LDP and to assess them to identify their implications. Welsh Government has published the following key policy and guidance documents between 1st April 2013 and 31st March 2014:

- Planning Policy Wales, Edition 6, February 2014
- Technical Advice Note (TAN) 21: Waste, 2014
- Technical Advice Note (TAN) 23: Economic Development, 2014

4.9 The changes in national policy and guidance have not resulted in any significant changes that need to be addressed in the short term.

External Conditions

4.10 The downturn in the economy continues to have a marked effect on house building rates and therefore on the delivery of affordable housing. Viability continues to be an issue in overall house building and this has an adverse impact on the levels of affordable housing that can be delivered through the planning system

4.11 If recommendations regarding the introduction of a regional planning tier are taken forward in the Planning White Paper, some matters such as housing numbers, transport infrastructure and the location of strategic employment sites will be determined regionally in the future.

4.12 All neighbouring local planning authorities are well advanced with the preparation of their respective development plans providing a local policy framework for development decisions within the region

4.13 The Cardiff LDP identifies land for the provision of 41,000 dwellings, including 18,000 on greenfield sites in north Cardiff; and Newport LDP allocates 10,350 dwellings, 1,540 of which are in the east of Newport on the boundary with Risca / Pontymister. This provision could undermine the development strategy for the Southern Connections Corridor, which advocates new development on brownfield land

Local Considerations

4.14 The 2013 AMR (2012-13) recommended that an early review be instigated in light of the following significant local considerations. Specifically:

- The lack of a five-year housing land supply is a matter of concern that needs to be addressed, as the evidence available indicates that it is unlikely that this position will improve in the next few years; and
- The need to identify suitable sites for new schools as a consequence of the Council's ambitious school rationalisation programme.

4.15 The LDP is currently under review with an anticipated adoption date of October 2017.

Strategic Environmental Assessment/Sustainability Appraisal Monitoring

4.16 The Strategic Environmental Assessment Directive requires local authorities to undertake

Strategic Environmental Assessment (SEA) as part of the preparation of the LDP. In addition to this the LDP Regulations requires a Sustainability Appraisal (SA) to be undertaken. In preparing the LDP the council undertook joint SEA and SA and produced and published its SEA/SA Report in conjunction with the LDP.

- 4.17 The SEA Directive also requires that the council monitor the state of the environment through monitoring the sustainability objectives set out in the SEA/SA Report. This forms an integral part of the AMR and is contained in Section 4.

LDP Policy Monitoring

- 4.18 The LDP Monitoring considers each of the 22 Strategy Policies against the LDP monitoring Framework to identify whether the policies are being effective and to identify any policies that are not being implemented. The Framework consists of 29 Indicators (overarching measures considered against time related targets) and 53 Factors (specific measures considered against a fixed Trigger Point). Both the Indicators and Factors are statistical measures relating to the delivery of a specific Strategy Policy and consideration of the Indicators and Factors will indicate whether the Policies are being implemented. Where an indicator does not meet a target, or a factor reaches a trigger point, it could indicate that the policy is not being implemented.

- 4.19 An overview of the LDP Monitoring Data for the 2014 AMR period provides an interesting insight into the implementation of the LDP over the past 12 months. Of particular note for 2013/14 is the following:

- The annual house-building rate decreased slightly over the period from 390 to 344 dwellings in the previous year.
- The housing land supply figure decreased from 3.5 to 2.9 years using the Welsh Government preferred residual method.
- The average house price fell from £97,272 to £94,272.
- Unemployment fell from 9% to 8.4%.
- The number of residents in employment increased from 73,700 to 78,700.
- There was a general drop in commuting rates as a percentage of all commuting both in terms of out commuting for work, but a slight rise in out commuting generally from 45.9% to 50%.
- Vacancy rates in the Principal Towns of Caerphilly and Risca/Pontymister decreased over the period whereas vacancy rates in, Blackwood, Bargoed increased. Vacancy rates in Ystrad Mynach remained the same.
- Footfall in the Principal Town Centres declined by 12.1%
- The number of schools over subscribed in terms of the school rolls increased from 4 to 5.
- The use of aggregates within the construction industry continued to fall.
- There was an increase in customer satisfaction with the countryside recreation on offer in the county borough.

- 4.20 Section 5 of the 2014 AMR provides a detailed analysis of the success of the plan to date against the monitoring indicators and factors in terms of delivering sustainable development. The findings are summarised in the Table below:

LDP Monitoring Summary Table

Strategy Policy	
SP1, SP2, SP3, SP4, SP5, SP6, SP7, SP8, SP9, SP10, SP11, SP12, SP17, SP18, SP19, SP20, SP21	Policy is being met or exceeded. No intervention required.
SP10, SP16, SP22	Policy is not delivering as anticipated but is delivering sufficiently and does not require intervention measures.
SP13, SP14, SP15	Policy is failing to deliver as anticipated and intervention measures should be considered.

- 4.21 Monitoring of the plan for 2013/14 indicates that no new Strategy Policies have been triggered. No further intervention is necessary at this time, as all policies will be reassessed as an integral part of the LDP Review.
- 4.22 Given the importance of housing delivery to the strategy there is a need to consider the following key policies as part of the 2014 AMR.
- SP14 Total Housing Requirements
 - SP15 Affordable Housing Target
- 4.23 The 2012/13 JHLAS indicates that the housing land supply has fallen to 2.9 years using the residual method. Where the land supply is less than 5 years, TAN 1 states that local authorities must take steps to increase the supply of housing land. This may include reviewing the development plan, releasing land in its ownership, expediting planning applications or securing the provision of infrastructure for particular sites.
- 4.24 The review of the adopted LDP has begun and this will look in-depth at the identification of additional development land to satisfy the 5-year land supply requirements of TAN1. However in the intervening period there could be a need to release limited greenfield sites in the short term to address the supply issue.
- 4.25 Further the Council should seek to release housing land in its control to the market and should ensure that planning applications are expedited as far as is practical to make land readily available for development.
- 4.26 No further intervention is necessary at this time, as all policies will be reassessed as an integral part of the First Review of the LDP along with all other policies contained within the plan.

Statutory Indicators

- 4.27 The LDP Manual requires that the AMR include information relating to 12 specific indicators. The information in respect of these is already contained within the LDP and SEA/SA monitoring frameworks and has been taken into account through the monitoring process.
- 4.28 The LDP Regulations also require that the AMR sets out information in respect of housing delivery in the County Borough since the Adoption of the plan. In particular the Regulations require that the AMR includes:
- The housing land supply taken from the current Housing Land Availability Study; and
 - The number (if any) of net affordable and general market dwellings built in the LPA's area

Information must be provided for the period in respect of which the AMR is made; and the period since the LDP was first adopted or approved. This information is set out in the table below:

New Dwelling Completions Private /Affordable Split and Housing land Supply								
	2007 JHLAS	2008 JHLAS	2009 JHLAS	2010 JHLAS	2011 JHLAS	2012 JHLAS	2013 JHLAS	
	Apr 2006 - Mar 2007	Apr 2007 - Mar 2008	Apr 2008 - Mar 2009	Apr 2009 - Mar 2010	Apr 2010 - Mar 2011	Apr 2011 - Mar 2012	Apr 2012 - Mar 2013	Total
Private Sector	835	554	265	189	241	275	236	2595

H.A. Public	17	102	122	111	117	115	108	692
Total	852	656	387	300	358	390	344	3287
Land Supply (Residual method)	17.3*	22.5*	21.2*	14.2*	4.3	3.5	2.9	
Figures taken from Joint Housing Land Availability Studies <i>* Figures realised under the Caerphilly UDP (LDP Adopted November 2010)</i>								

- 4.29 Housing land availability information is monitored for the period April to end of March annually through the Joint Housing Land Availability Study (JHLAS).

AMR Conclusions & Recommendations

- 4.30 The AMR concludes that whilst the LDP Development Strategy remains sound, the downturn in the economy has had a marked effect on house building rates. Viability continues to be an issue in overall house building and this has an adverse impact on the levels of affordable housing being delivered through the planning system.
- 4.31 The lack of a five-year land supply is a matter of concern that needs to be addressed, as the evidence available indicates that it is unlikely that this position will improve in the next few years. There could be a need to release limited greenfield sites in the short term to address the supply issue. The first review of the LDP will further address the land supply issue through the allocation of sites that are capable of being delivered in viable parts of the county borough.
- 4.32 The 2014 AMR recommendations are therefore as follows:

Recommendations

- R1 The 2014 Annual Monitoring Plan has indicated that substantial progress has been made in implementing the Caerphilly County Borough Local Development Plan up to 2021 and that the Development Strategy is being effective.
- R2 That limited greenfield release be considered on sites that are acceptable in planning terms in order to address the lack of a five year land supply in the short term.
- R3 That the First Review of the Caerphilly County Borough Local Development Plan continue to be progressed in line with the Welsh Government and Council Agreed Delivery Agreement (13 February 2014).

5. EQUALITIES IMPLICATIONS

- 5.1 There are no direct implications associated with this report. However any future review of policies and proposals contained within the LDP will require an equalities impact assessment to be carried out.

6. FINANCIAL IMPLICATIONS

- 6.1 There are no new financial implications as a consequence of this report.

7. PERSONNEL IMPLICATIONS

- 7.1 There are no direct personnel implications as a result of this report.

8. CONSULTATIONS

- 8.1 All comments have been taken into account in the Committee Report.

9 RECOMMENDATIONS

- 9.1 To consider and note the findings of the 2014 Annual Monitoring Report and the implications of the recommendations contained therein.
- 9.2 To recommend that the 2014 Annual Monitoring Report be referred to Cabinet and Council for consideration.
- 9.3 To recommend to Cabinet and thereafter Council that the 2014 Annual Monitoring Report be submitted to the Welsh Government before the deadline of 31 October 2014.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To comply with the requirements of the Planning and Compulsory Purchase Act 2004, the LDP Wales Regulations 2005 and the SEA Directive.
- 10.2 To comply with the requirements of the Planning and Compulsory Purchase Act 2004, the LDP Wales Regulations 2005 and the SEA Directive.
- 10.3 To comply with the requirements of the Planning and Compulsory Purchase Act 2004, the LDP Wales Regulations 2005 and the SEA Directive

11. STATUTORY POWER

- 11.1 The Planning and Compulsory Purchase Act 2004 requires the Council to prepare and keep under review a Local Development Plan for the County Borough to act as a single framework for the control and use of land within its administrative boundary.
- 11.2 The Local Government Act 1998. The Local Government Act 2003. The Town and Country Planning (Local Development Plan) (Wales) Regulations 2005.

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Gail Williams, Interim Head of Legal Services/ Monitoring Officer
Mike Eedy, Finance Manager, Environmental Finance Group
Colin Jones, Head of Performance & Property

Background Papers:

Caerphilly County Borough LDP Annual Monitoring Report 2014

[made available in the resource library]

Caerphilly County Borough LDP Annual Monitoring Report 2014 – Background Tables

[made available in the resource library]

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