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**Date: 21st October 2015**

Dear Sir/Madam,

A meeting of the **Cabinet** will be held in the **Sirhowy Room, Penallta House, Tredomen, Ystrad Mynach** on **Wednesday, 28th October, 2015** 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

## AGENDA

	Pages
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 14th October 2015.	1 - 6

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

A greener place Man gwyrddach



4	Improving Governance Programme Update.	7 - 14
5	Land at Eastview Terrace, Bargoed.	15 - 20
6	Rhymney Town Centre Loans Scheme.	21 - 32

**Circulation:**

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

And Appropriate Officers.



## CABINET

### MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, TREDOMEN ON WEDNESDAY 14TH OCTOBER 2015 AT 2.00 P.M.

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#### PRESENT:

Councillor K.V. Reynolds - Chair

#### Councillors:

Mrs C. Forehead (HR and Governance/Business Manager), N. George (Community and Leisure Services), D.T. Hardacre (Performance and Asset Management), K. James (Regeneration, Planning and Sustainable Development), R. Passmore (Education and Lifelong Learning), D.V. Poole (Cabinet Member for Housing), T.J. Williams (Highways, Transportation and Engineering) and R. Woodyatt (Cabinet Member for Social Services).

#### Together with:

C. Burns (Interim Chief Executive), C. HARRY (Corporate Director Education and Community Services), D. Street (Corporate Director Social Services), N. Scammell (Acting Director of Corporate Services & S151).

#### Also in Attendance:

B. Hopkins (Assistant Director - Education), S. Couzens (Chief Housing Officer), J. Green (Housing Manager - Older Persons Services), H. Morgan (Team Leader - Integrated Transport Unit), G. Williams (Interim Head of Legal Services and Monitoring Officer) and S. Harris (Interim Head of Corporate Finance).

#### 1. APOLOGIES FOR ABSENCE

Apologies for absence had been received from Councillors Mrs B. Jones (Deputy Leader and Cabinet Member for Corporate Services) and D.T. Hardacre (Cabinet Member for Performance and Asset Management).

#### 2. DECLARATIONS OF INTEREST

Councillor K. James declared an interest in Agenda Item 6 – CCBC Education Transport – MTFP 2015/18 Update. Details are recorded with the respective item.

#### 3. CABINET – 30TH SEPTEMBER 2015

RESOLVED that the minutes of the meeting held on 30th September 2015 (minute nos. 1 - 8) be approved and signed as a correct record.

## **MATTERS ON WHICH EXECUTIVE DECISIONS WERE REQUIRED**

### **4. REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA CORPORATE POLICY REVIEW)**

The report, which was considered at Policy and Resources Scrutiny Committee on 30th September 2015, sought the views of Cabinet on proposed changes to the Council's Corporate Regulation of Investigatory Powers Act (RIPA) Policy.

Members noted that the Council is under an obligation to comply with legislative requirements and is subject to the provisions of the Regulations of Investigatory Powers Act 2000, Protection of Freedom Act 2012, and the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) (Amendment) Order 2012 (S1 2012/1500). In order for the policy to remain fit for purpose, the report recommended changes to the Council's current Corporate RIPA policy.

An internal review was undertaken by the Council's Interim Monitoring Officer, in which it was proposed that the current policy be reviewed in its entirety to strengthen the governance arrangements around the RIPA process.

Members were asked to note that the Policy is not intended for use in connection with the surveillance of its employees and were reminded that the surveillance of employees is currently suspended pending on the implementation of a specific policy and there are no current plans to progress this issue. Officers gave assurance that the policy had been thoroughly reviewed and that all associated procedures are and will continue to be stringently monitored.

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.

RESOLVED that for the reasons contained in the Officers report:

- (i) the contents of the report be noted;
- (ii) the changes to the Council's Corporate Regulation of Investigatory Powers Act Policy, as detailed in the report, be approved.

### **5. CCBC EDUCATION TRANSPORT – MTFP 2015/18 UPDATE**

Councillor K. James declared an interest in this item as a Governor for Abercarn Primary School and left the meeting during its consideration.

The report presented Cabinet with an update on the Medium Term Financial Plan (MTFP) following the outcome of reports to Scrutiny Committee on 20th May and 7th July 2015 and options in assisting the Local Authority to meet its obligations in respect of the 2015/18 MTFP, to achieve a 20% general reduction in overall spend which notionally provides for a £1.3m reduction.

The report and appendix provided Cabinet with the range of discretionary home to school and college transport services, which were considered in detail at the Special Scrutiny Committee on 19th June 2014 and again on 20th May 2015. Members noted that at Scrutiny on 20th May, Members agreed to receive further information on ET1 (post-16 mainstream), ET2 (review of walking distances), and ET11 (review of hazardous routes – negligible or low risk) and these were considered by Scrutiny on 7th July 2015.

Any changes made to education transport policy are covered by the Learner Travel (Wales) Measure 2008 that states that a local authority must agree and publish the information before 1st October of the year preceding the start of the academic year they will apply from.

Councillor C. Gordon was welcomed to the meeting and invited to make representation.

Councillor Gordon thanked Cabinet and in acknowledging the financial pressures and savings requirements of the Authority, highlighted the concerns of the Scrutiny Committee on the proposal to introduce a daily charge of £1.50 with full concession for FSM students. Concerns were highlighted for the additional financial pressures for families on low income and proposed a daily charge of £1.

In addition, Councillor Gordon referred to the proposal to provide a further exemption of a maximum of 4 years for the new 21<sup>st</sup> Century School Projects, Y Gwindy and Islwyn West, which was supported at Education for Life Scrutiny Committee. It was noted that Scrutiny had considered the options in detail, and whilst they acknowledged the financial constraints due to cuts in funding from Welsh Government, urged Cabinet to consider the recommendations from Scrutiny, as outlined in the Officers report.

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

RESOLVED that for the reasons contained in the Officers report:

- (i) the policy changes proposed for consultation as part of the MTFP process be approved;
- (ii) It be noted that the outcome of the consultation process will be presented in due course in order to make policy decisions, in readiness for the 2017/18 academic year.

## **6. CAERPHILLY HOMES COMMUNICATIONS STRATEGY & IMPLEMENTATION PLAN**

The report, which was considered by the Policy and Resources Scrutiny Committee on 30th September 2015 and Caerphilly Homes Task Group on 2nd July 2015, sought the views of Cabinet on a new Caerphilly Homes Communications Strategy and action plan.

The draft Strategy and action plan proposed to replace the former 'Housing and Welsh Quality Housing Standard Communications Strategy' which elapsed in 2015. The new draft Strategy strongly advocates a 'one housing service' approach to communications in order to more effectively embed the Caerphilly Homes ethos throughout the division.

Members discussed the report and in noting concerns raised by the Caerphilly Homes Task Group, acknowledged the need for the Council's Recharge Policy to be clearly communicated to Caerphilly Homes tenants.

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 Officers report:

- (i) the Caerphilly Homes Communications Strategy and action plan, as appended to the report be adopted;
- (ii) the method of communication of the Council's Recharge Policy to Caerphilly Homes Tenants be determined.

## **7. REMODELLING OF SHELTERED HOUSING SCHEMES**

The report, which was considered by the Policy and Resources Scrutiny Committee on 30th September 2015 and Caerphilly Homes Task Group on 17th September 2015, sought the views of Cabinet on proposals for an in-principle agreement, for feasibility studies to be undertaken for six sheltered housing schemes (Castle Court, Waunfawr House, Ty Melin, Ynyswen, Britannia Court and St Mary's Court) for remodelling.

In addition, the report sought the views of Cabinet on proposals for the six schemes to be omitted from the Welsh Housing Quality Standard (WHQS) works programme, unless funding is available within the business plan to undertake work to one or two schemes depending on the detailed costs being within this budget.

Members noted that a review of all housing stock identified that some schemes include properties and amenities that are inadequate and do not meet acceptable space standards. This information was considered alongside void levels and the ability to remodel, and six sheltered housing schemes were selected for feasibility studies. Members were advised that postponing remodelling of these particular schemes would result in works commencing after 2020 (with completion of all properties to the Welsh Quality Housing Standard by 2025), but that works to some of these schemes could be completed prior to 2020, subject to feasibility and funding considerations.

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 Officers report, and in noting an additional recommendation:

- (i) the views of the Caerphilly Homes Task Group on the proposal be noted;
- (ii) a full and comprehensive feasibility study be commissioned for the six sheltered housing schemes identified in the report;
- (iii) following a positive outcome of the feasibility study, the schemes be removed from the Welsh Quality Housing Standard Programme with the intent of remodelling them post 2020 (with one or two before this time if financially viable), with completion of all properties by the end of 2025;
- (iv) following a positive outcome of the feasibility study, a report be presented to Cabinet highlighting detailed expenditure and plans for the schemes.

## **8. DRAFT SAVINGS PROPOSALS FOR 2016/17**

The report provided Cabinet with an updated Medium-Term Financial Plan (MTFP) based on a range of assumptions pending receipt of the Provisional 2016/17 Local Government Financial Settlement, draft savings proposals for the 2016/17 financial year to allow for a focussed period of consultation prior to a final decision in February 2016 and provided details of projected savings requirements for the period 2016/17 to 2018/19 pending confirmation of the Welsh Government (WG) Local Government Financial Settlement.

The report also sought Cabinet endorsement of an updated MTFP, draft savings proposals for 2016/17 and a proposed 3.9% increase in the Council Tax, along with a brief update on progress in relation to potential savings for the 2017/18 financial year.

Members noted that the updated MTFP included a number of assumptions and adjustments, which included an assumed reduction in AEF of 4.3% for 2016/17 and 2017/18, with further reduction of 3% for 2018/19, a proposal to increase Council Tax to 3.9%, a 1% pay award in each of the 3 years and an assumed annual increase of 20p per hour for the living wage, as detailed within the Officers report. Draft savings proposals were detailed within the appendices, which included Vacancy Management proposals, Reduction in posts and Home to School Transport.

In addition, two seminars were provided to Members during the summer, with an additional seminar scheduled for November, Cabinet noted that, in light of updated Budget information not being available until December and agreed that the November seminar be cancelled and MTFP and Savings proposals be considered in the new year by Scrutiny.

Members thanked the Officer for the update and acknowledged the extensive work by Officers across the Authority to provide detailed proposals. Authorities across Wales are experiencing unprecedented financial times, however, with the extensive work by Officers to provide savings proposals and the proposal for a much wider consultation process, residents of the borough will have an opportunity to provide any comments and proposals in order to meet the savings requirements.

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

RESOLVED that for the reasons contained in the Officers report:

- (i) The updated MTFP as detailed in paragraph 4.1.4 and Appendix 2 of the report be approved;
- (ii) The proposed package of 2016/17 savings totalling £12.432m, as detailed in Appendices 4 to 8 be endorsed;
- (iii) The 2016/17 savings proposals be subject to a further period of consultation prior to final 2016/17 budget proposals being presented to Cabinet on the 3rd February 2016 and Council on 24th February 2016;
- (iv) the proposal to increase Council Tax by 3.9% for the 2016/17 financial year be supported, to ensure that a balanced budget is achieved;
- (v) the current savings proposals for 2017/18 totalling £6.930m be noted, as set out in Appendix 9 of the report;
- (vi) A consultation process be undertaken in relation to proposed savings in 2017/18 for Home to School/College Transport.

## **RECOMMENDATION TO COUNCIL**

### **9. CORPORATE SAFEGUARDING CHILDREN AND VULNERABLE ADULTS POLICY**

The report presented Cabinet with the final draft Corporate Safeguarding Policy for comments, decision and endorsement.

In the period March to May 2014 the Welsh Audit Office (WAO) completed a review of Caerphilly County Borough Council's (the Council) assurance and accountability arrangements for ensuring that safeguarding policies and procedures were in place and being adhered to.

The findings of the Review were published in October 2014 and reported to Cabinet on 10th December 2014, where it was agreed that a cross Directorate group of key Officers would be established to implement the recommendations made by WAO. The report provided Cabinet with an update on the actions taken to meet the WAO requirements through the production of an overarching Corporate Safeguarding Policy.

Members noted that following the review, WAO identified 5 key areas for improvement, mainly around Governance, which included updating the Safeguarding Policy, accountability and reporting and including Safeguarding within the Internal Audit work programme.

Cabinet discussed the item and it was noted that there have been some amendments to the Policy since the time of printing. Cabinet agreed the changes and it was moved and seconded that Councillor R. Woodyatt be named Lead Cabinet Members for Safeguarding.

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 the Chief Executive be given delegated authority to make minor amendments to detail within the policy as indicated during the meeting and that it be RECOMMENDED to Council that for the reasons contained in the Officers report, the draft Corporate Safeguarding Children and Vulnerable Adults Policy be approved.

The meeting closed at 3.05pm

Approved and signed as a correct record subject to any corrections made at the meeting held on 28th October 2015.

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CHAIR





## CABINET – 28TH OCTOBER 2015

**SUBJECT: IMPROVING GOVERNANCE PROGRAMME UPDATE**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND S 151 OFFICER**

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### 1. PURPOSE OF REPORT

- 1.1 To advise Cabinet in respect of the progress of the Improving Governance Programme (IGP), which includes the following:
- the action plan resulting from the Wales Audit Office (WAO) Public Interest Report on the Chief Officers Pay published in March 2013 and the wider Improving Governance Programme (as presented to and approved by Council on 28<sup>th</sup> January 2014 and Cabinet on 19<sup>th</sup> February 2014) covering also 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.
  - the more recent action plan approved by Council on 27<sup>th</sup> January 2015 following the Wales Audit Office Report *Follow up of special inspection and reports in the public interest* (January 2015).
- 1.2 To recommend that the IGPB is formally concluded and that the outstanding matters are taken forward by the Corporate Governance Panel

### 2. SUMMARY

- 2.1 Following on from the latest report presented to Cabinet on 20th May 2015, this report provides an update on the progress of the Improving Governance Programme (IGP) and subsequent additional action plan approved by Council on 27th January 2015 ensuing from the Wales Audit Office Report *Follow up of Special Inspection and reports in the public interest* (January 2015), as incorporated for monitoring in the IGP.

### 3. LINKS TO STRATEGY

- 3.1 Good governance is a pre-requisite of the activities of any Local Authority.

### 4. THE REPORT

- 4.1 Following on from the latest report presented to Cabinet on 20th May 2015, the Improving Governance Programme (IGP) has continued the good progress achieved in 2014 and positively noted in the Follow-up CGI Inspection Report by Wales Audit Office (January 2015).
- 4.2 In his Annual Improvement Report 2014-15 issued August 2015 the Auditor General recognised that *“the Council has responded swiftly and effectively to address most of the recommendations made in our Special Inspection Report issued in January 2014. Improvements have been made to the Council’s governance arrangements.”*

- 4.3 The list of the previously outstanding recommendations and relevant actions included in the original Improving Governance Programme (IGP), with information on the latest progress, is provided in **Appendix 1**. The document shows that of the outstanding items:
- Item 1 - Records of meetings (outstanding for in particular the council intention to implement electronic voting) is proposed for closing. This action was not part of the original PIR recommendations, but was instead what the Authority felt desirable. Following the implementation of the new arrangements several failings with the system were discovered which led to a lack of confidence. It also proved impossible to display voting outcomes appropriately and significantly the use of the electronic voting disrupted the free flow of the debate. Consequently it is recommended that the initiative is abandoned and the Constitution duly amended to reflect the reversion back to a "show of hands". To safeguard transparency the vote is recorded "for", "against" and "abstentions" and in addition the Council meetings are webcasted.
  - Item 4 – Performance Management and self-evaluation is now complete.
  - the Business Continuity activity was signed off as addressed by Audit Committee in June 2015 which completed item 6 in the table.
  - Item 7 – Improving Governance Programme Board monitoring of the outstanding actions – is approaching completion and the Board recommends that the IGPB is formally concluded for the reasons described in paragraph 4.6 below.
- 4.4 The more recent action plan approved by Council on 27th January 2015 following the Wales Audit Office Report *Follow up of special inspection and reports in the public interest* (January 2015) is available with the relevant indication of progress in **Appendix 2**.
- 4.5 The document shows that of the outstanding proposals
- Item 2 - Review of scrutiny arrangements is now completed
  - Item 4 - Raising awareness of whistleblowing policy amongst staff – is approaching completion
  - Item 5 - An updated and more relevant HR balance scorecard is now completed
  - Item 6 - Programme of on-going risk management training for Members is now completed
  - Item 7 - Robust action plan to improve Internal Audit is now completed
  - Item 8 - Implementation of a HR Strategy is approaching completion
  - Item 9 - Self-evaluation is now completed
- 4.6 The Improving Governance Programme Board, in view of the small number of items still outstanding, recommends that the IGP is formally concluded and the outstanding actions are transferred to the Corporate Governance Panel. The members of the Corporate Governance Panel are:
- Cllr. Christine Forehead, Cabinet Member for HR and Governance / Business Manager
  - Nicole Scammell, Acting Director of Corporate Services and S. 151 Officer
  - Gail Williams, Interim Head of Legal Services and Monitoring Officer
  - Colin Jones, Head of Performance and Property Services
  - Richard Harris, Internal Audit Manager
  - Lynton Jones, Acting Head of ICT and Customer Services
- The membership of the Corporate Governance Panel will guarantee continuity in the monitoring and progress of outstanding actions.
- 4.7 The Corporate Governance Panel will continue to monitor the corporate governance arrangements to ensure that all the actions implemented by the IGPB become embedded and business as usual.

## **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 There are no financial implications in respect of this report that are not included in current budgetary provision.

## **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 the positive progress described in the paragraphs above along with the appendices attached in addressing recommendations and proposals for improvements by the Wales Audit Office included in the WAO Public Interest Report on the Chief Officers Pay published in March 2013, the Chief Officers Essential Car Users and Annual Leave Allowance published in December 2013, the Special Inspection Report published in January 2014 and the WAO Report Follow up of special inspection and reports in the public interest (January 2015).
- 9.2 To agree to formally conclude the IGPB transferring the small number of outstanding actions to the Corporate Governance Panel as per paragraph 4.6 above

## **10. REASONS FOR THE RECOMMENDATIONS**

- 10.1 To ensure Cabinet is updated on the progress of the Improving Governance Programme in addressing recommendations and proposals for improvements by the Wales Audit Office in respect of the two PIR and the Special Inspection Report published in January 2014 and the WAO Report Follow up of special inspection and reports in the public interest (January 2015).

## **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
- Colin Jones, Head of Performance and Property Services
- Gail Williams, Interim Head of Legal Services and Monitoring Officer
- Lynne Donovan, Acting Head of Human Resources and Organisational Development
- Lisa Lane, Solicitor
- Alessandra Veronese, Programme Manager

Background Papers:

- Programme Working Documents
- Report to Cabinet on 13<sup>th</sup> November 2013 - *Improving Governance Programme Update*
- Report to Cabinet on 16<sup>th</sup> October 2013 - *Improving Governance Programme Update*
- Report to Cabinet on 18<sup>th</sup> September 2013 - *Improving Governance Action Plan*
- Report to Cabinet on 11<sup>th</sup> December 2013 - *Improving Governance Action Plan*
- Report to Cabinet on 2<sup>nd</sup> October 2013 – *Risk Management Strategy and Guidance*
- Report to Council on 8<sup>th</sup> October 2013 – *Scrutiny Improvement Action Plan*
- Report to Cabinet on 30<sup>th</sup> October 2013 – *Corporate Planning and Performance Framework*
- Report to Council on 29<sup>th</sup> January 2014 - *Wales Audit Office Report – Public Interest Report on Chief Officers Essential Car User and Annual Leave Allowances*
- Report to Council on 29<sup>th</sup> January 2014 - *Wales Audit Office Report – Special Inspection Caerphilly County Borough Council*
- Report presented to the Scrutiny Leadership Group on 30<sup>th</sup> January 2014 - *Scrutiny Improvement Action Plan – Update*
- Report to Cabinet on 19<sup>th</sup> February 2014 - *Improving Governance Programme Update*
- Report to Cabinet on 5<sup>th</sup> March 2014 – *Corporate planning – self-evaluation*
- Report to Audit Committee on 5<sup>th</sup> March – *CCBC Partnerships and Collaborations.*
- Report to Audit Committee on 5<sup>th</sup> March – *Business Continuity Management*
- Report to Audit Committee on 5<sup>th</sup> March – *Internal Audit Services Annual Audit Plan*
- Report to Cabinet on 2<sup>nd</sup> April 2014 - *Improving Governance Programme Update*
- Report to Cabinet on 18<sup>th</sup> June 2014 - *Improving Governance Programme Update*
- Report to Cabinet on 2<sup>nd</sup> October 2014 - *Improving Governance Programme Update*
- Report to Council on 27<sup>th</sup> January 2015 - *Wales Audit Office Report Follow up of special inspection and reports in the public interest*
- Report to Cabinet on 20<sup>th</sup> May 2015 - *Improving Governance Programme Update*

Appendices:

Appendix 1 – IGP - Outstanding Actions as of 09/10/2015

Appendix 2 – WAO Follow-up CGI Inspection Actions – Progress as of 09/10/2015

## Improving Governance Programme – Outstanding actions as of 09/10/2015

Item No.	Document	Original Recommendation / Improvement	Outstanding actions as of 22/08/2014 and SRO	IGPB Monitoring 2015 Status
1	WAO PIR March 2013 “Chief Officers Pay”	<b>Records of meetings</b> <b>R4</b> 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.	<ul style="list-style-type: none"> <li>The electronic voting system available in the Council Chamber must be used for all council meetings held in the Council Chamber</li> </ul> <p>SRO: Interim Head of Democratic Services</p>	<b>Proposal for closing</b> This action was not part of the original PIR recommendations, but was instead what the Authority felt desirable. Following the implementation of the new arrangements several failings with the system were discovered which led to a lack of confidence. It also proved impossible to display voting outcomes appropriately and significantly the use of the electronic voting disrupted the free flow of the debate. Consequently we recommend that the initiative is abandoned and the Constitution duly amended to reflect the reversion back to a “show of hands”. To safeguard transparency the vote is recorded “for”, “against” and “abstentions” and in addition the Council meetings are webcasted
2	WAO PIR March 2013 “Chief Officers Pay”	<b>Clarity and comprehensiveness of reports to committees</b> <b>R5</b> 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.	<ul style="list-style-type: none"> <li>Review the reporting template and consistency of reporting and format to include an executive summary and key decisions.</li> </ul> <p>SRO: Interim Chief Executive</p>	<b>Completed</b> Discussed at CMT 2/4/2015, Report format and standard acceptable. <u>Longer-term:</u> 6 monthly review. Scheduled 1 <sup>st</sup> October 2015.
3	Wider Improving Governance Programme	<b>Electronic Council</b> 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)	<ul style="list-style-type: none"> <li>Webcasting the council meetings following the implementation of the relevant infrastructure.</li> <li>Replace the current system to manage and publish the committee documents integrated with the corporate website and intranet with a more efficient one.</li> <li>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.</li> </ul> <p>SRO: Interim Head of Democratic Services</p>	<b>Completed</b> Mod.gov live October 2014 First webcasting 10/03/2015
4	Wider Improving Governance Programme	<b>Performance Management and Self-evaluation</b> Review, improve and further embed the current performance management and self-evaluation practices	<ul style="list-style-type: none"> <li>Self-evaluation service reviews, annual cycle and links</li> <li>Performance management framework, reporting cycle, report redesign and links to SE, SIP cycle and links with SE</li> </ul> <p>SRO: Head of Performance and Property Services</p>	<b>Completed</b> <ul style="list-style-type: none"> <li>Self-evaluation process introduced. Challenge phase commenced in August and is ongoing. The third cycle is about to start</li> <li>The Service Delivery Plan report was reviewed to reflect introduction of self-evaluation.</li> <li>A comprehensive PM calendar was launched 1/7/2015</li> </ul>
5	Wider Improving Governance Programme	<b>Scrutiny</b> Review, improve and further strengthen the current scrutiny arrangements	<ul style="list-style-type: none"> <li>Scrutiny Development and Organisation</li> <li>Performance Management</li> </ul> <p>SRO: Interim Head of Democratic Services</p>	<b>Close here – will be monitored as part of the CGI Follow-up action plan</b> <ul style="list-style-type: none"> <li>Scrutiny to be monitored as part of CGI follow-up.</li> <li>PM included in Scrutiny Dev. – furthermore a matrix will be produced see IGPB meeting notes 30/03/2015</li> </ul>

Item No.	Document	Original Recommendation / Improvement	Outstanding actions as of 22/08/2014 and SRO	IGPB Monitoring 2015 Status
6	<b>Wider Improving Governance Programme</b>	<b>Outstanding WAO Governance Improvements</b> 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"> <li>Partnership and Collaboration (governance, effectiveness and evaluation) Strategy and Toolkit SRO: Acting Director of Corporate Services and S.I 51 Officer</li> <li>Business Continuity Action Plan SRO: Head of Public Protection</li> </ul>	<b>Completed</b> <ul style="list-style-type: none"> <li><b>Partnership</b> – report to Audit committee in March, a second in June 2015</li> </ul> <b>Completed</b> <ul style="list-style-type: none"> <li><b>Business Continuity</b> – presented to Audit Committee in March. Signed off as addressed in June Audit Committee. <b>BAU</b></li> </ul>
7	<b>WAO Special Inspection</b>	<b>R3</b> Continues to implement the Improving Governance Programme Board action plan to enhance governance arrangements for the future.	<ul style="list-style-type: none"> <li>The IGP Board continues to meet until work streams are completed.</li> <li>Current arrangements to continue in respect of reporting to CMT and Cabinet SRO: Acting Director of Corporate Services and S.I 51 Officer</li> </ul>	<b>Approaching completion</b> A small number of items are still outstanding.
8	<b>WAO Special Inspection</b>	<b>R4</b> Strengthens its risk management processes further to embed risk management across the Council. Specifically there should be: <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"> <li>Build “Risk Management Monitoring” into Scrutiny Forward Work Programme</li> <li>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 SRO: Head of Performance and Property Services</li> </ul>	<b>Completed</b> The action relevant to risk management monitoring by scrutiny is on hold in view of the review of scrutiny arrangements by the Interim Chief Executive. The DRR is not going to Scrutiny.  The Risk Management Group will not be formed, as approved by Audit Committee on 29/9/2014
9	<b>WAO Special Inspection</b>	<b>R5</b> 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. SRO: Head of People Management and Development</p>	<b>Completed</b> The policy with the relevant report was presented to Scrutiny on 11/11 then Cabinet on 12/11 and finally Council on 18/11. (Awareness outstanding monitored as part of CGI follow-up)
10	<b>WAO Special Inspection</b>	<b>R7</b> Ensures that the actions, identified to improve the HR function and workforce planning, are implemented.	<ul style="list-style-type: none"> <li>HR Strategy and Plan</li> <li>Workforce planning SRO: Head of People Management and Development</li> </ul>	<b>Close here – will be monitored as part of the CGI Follow-up action plan</b>

## WAO FOLLOW-UP CGI INSPECTION – Actions for recommendation R1 and the eight proposals for improvement P1 to P8 – Progress as of 09/10/2015

Item ID	WAO Recommendation / Proposal for Improvement	ACTION	RESPONSIBILITY	Complete by	Status
1. RECOMMENDATION (R1)	<i>The Council should take a lawful decision on the annual leave and essential car user allowances.</i>	Prepare and present a report to Full Council on 27th January 2015 to ensure a lawful decision is made.	Chris Burns, Interim Chief Executive	27/01/2015	<b>Completed</b> Report presented and decision taken by Full Council on 27 <sup>th</sup> January 2015
2. PROPOSAL FOR IMPROVEMENT (P1)	<i>The Council should review the role and effectiveness of its Scrutiny Committees. There needs to be better prioritisation of Agenda Items and alternative mechanisms explored for information-only items to enable Scrutiny to focus on those areas where it may have the greatest impact.</i>	Review of Scrutiny arrangements to conclude with a report to full Council by October 2015.	Chris Burns, Interim Chief Executive	October 2015	<b>Completed</b> The final report SCRUTINY REVIEW 2015 was presented to Democratic Service Committee on 16/09. The proposals were agreed by Full Council on 8 <sup>th</sup> October and will be implemented
3. PROPOSAL FOR IMPROVEMENT (P2)	<i>The Council could consider including a summary table of all decisions taken at the end of CMT minutes setting out who made the decision and who is responsible for logging it on the decision log. Where CMT considers that a decision is “administrative” and does not require logging, this should also be noted.</i>	Include Summary Table of all decisions in CMT Minutes. This action has been undertaken and the arrangements will be implemented from 22nd January 2015.	Gail Williams, Interim Head of Legal Services and Monitoring Officer.	January 2015	<b>Completed</b> Since 22 <sup>nd</sup> January a decision sheet is produced for each meeting.
4. PROPOSAL FOR IMPROVEMENT (P3)	<i>The Council should consider how it can best raise awareness of its Whistleblowing Policy amongst staff and put in place an awareness and training programme to do this.</i>	Action already undertaken since the External Audit work was concluded, which has seen the adoption of a new Whistleblowing Policy developed in conjunction with Public Concern at Work (PCaW), the UK’s leading Whistleblowing Charity. A Training and Communication Plan is currently underway (presentations to Leadership Team, and Management Network have been completed), and will be rolled out before the end of the financial year. The Council has also been accepted to the “First 100 Campaign” run by PCaW, which is a commitment to work towards the principles of the Whistleblowing Commission’s Code of Practice.	Lynne Donovan, Acting Head of Human Resources and Organisational Development	January 2015	<b>Approaching completion</b> Policy Launched to wider workforce through the HR Portal in January 2015. All User Communication issued to all on the 16th of January 2015. Follow up reminder e-mail to Management Network with Training slides and reminder to communicate the new policy where appropriate in February 2015. Internal Publicity for “First 100” included Press Release including quotes from Leader and Chief Executive, and listed on CCBC External Website and Intranet News pages. The policy is on the Public Concern at Work website; it was advertised in payslips in April 2015; the poster campaign took place in April and May 2015 and it was advertised on the Council website in May 2015.  Report prepared for Standards and Audit Committees in October to provide update on first 6 months of experience (Q1 & Q2)

Item ID	WAO Recommendation / Proposal for Improvement	ACTION	RESPONSIBILITY	Complete by	Status
5. PROPOSAL FOR IMPROVEMENT (P4)	<i>The Council should revise the HR balanced scorecard. Members and CMT should be consulted on the content of the scorecard.</i>	A revised scorecard is being developed in conjunction with researching practice in other areas. This should be completed by May 2015.	Lynne Donovan, Acting Head of Human Resources and Organisational Development	May 2015	<b>Completed</b> Revised scorecard implemented
6. PROPOSAL FOR IMPROVEMENT (P5)	<i>The Council should develop a programme of on-going risk management training for Members taking into account the outcome of its Member training needs analysis</i>	Initial Risk Management training has been provided to Cabinet and Audit Committee Members on a mandatory basis. Training for other Members will be discretionary if identified via the Member training needs analysis. A refresh programme on risk management will be developed for Members for ongoing development.	Colin Jones, Head of Performance and Property	On-going	<b>Completed</b> <ul style="list-style-type: none"> <li>▪ Embedded. To be monitored as business as usual (Risk is part of scrutiny training needs analysis every year and Audit committee receive the risk register every quarter)</li> </ul>
7. PROPOSAL FOR IMPROVEMENT (P6)	<i>The Council should develop a robust action plan for improving Internal Audit. This should take account of the outcome of the self-assessment against the Public Internal Audit Standards. Reporting and monitoring mechanisms need to be agreed to maintain momentum.</i>	A robust Action Plan will be developed and presented to Audit Committee in March 2015. The delivery of the Action Plan will be monitored by the IGPB.	Stephen Harris, Acting Head of Corporate Finance.	March 2015	<b>Completed</b> <ul style="list-style-type: none"> <li>▪ Action Plan presented to and approved by Audit Committee on 11<sup>th</sup> March 2015</li> <li>▪ The follow-on report was taken to Audit Committee 10<sup>th</sup> June but was not called forward</li> </ul>
8. PROPOSAL FOR IMPROVEMENT (P7)	<i>The Council should prioritise the development of a HR Strategy and Workforce Plan. These should form key elements of the Council's strategic planning framework.</i>	A revised HR Strategy has been developed with the support of the H R Strategy Group, and is currently being reviewed by CMT. This would then be the subject of wider consultation, with a view that this could be concluded by May 2015. Workforce Planning has been integrated into the new Service Delivery Process underway for the next Financial Year.	Lynne Donovan, Acting Head of Human Resources and Organisational Development	May 2015	<b>Approaching completion</b> <ul style="list-style-type: none"> <li>▪ Final draft of HR Strategy due to be discussed at CMT on 15/10/2015</li> </ul>
9. PROPOSAL FOR IMPROVEMENT (P8)	<i>The Council needs to agree the purpose of self-evaluation and how this will be used to inform corporate, service and financial planning and to ensure that the process it adopts enables it to do this effectively.</i>	A self-evaluation template has been developed, following piloting in Summer 2014, and is being completed as part of the Council's service planning process. Service plans will be completed by the end of March 2015 for further consideration by Corporate Management Team.	Colin Jones, Head of Performance and Property	March 2015	<b>Completed</b> <ul style="list-style-type: none"> <li>○ The first year experience led to the review of the initial template.</li> <li>○ All SE have been completed and produced a list of criteria for the challenge</li> <li>○ The feedback can be part of the SDP or additional work</li> <li>○ The system improved the links to the budget setting</li> <li>○ The next cycle will include lessons learned and will build on the first year.</li> </ul>





## CABINET - 28TH OCTOBER 2015

**SUBJECT: LAND AT EASTVIEW TERRACE, BARGOED**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND S 151 OFFICER**

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### 1. PURPOSE OF REPORT

- 1.1 To seek approval to the principle of disposing of land at Eastview Terrace, Bargoed to United Welsh Housing Association (UW) on terms to be negotiated.

### 2. LINKS TO STRATEGY

- 2.1 The contents of this report link to the following key strategic objectives:

“Encourage the development and maintenance of high quality, well designed and efficient, sustainable homes and environments which can meet all needs.” (*Community Strategy: Living Environment – Objective 1*)

“Ensure an adequate and appropriate range of housing sites are available across the County Borough in the most suitable locations to meet the housing requirements of all sections of the population.” (*Local Development Plan –Objective 9*)

“Meet housing requirements through the provision of a range of good quality, affordable housing options.” (*Aim 5: Affordable Housing – Local Housing Strategy*)

“Provide good quality, well-managed homes in communities where people want to live, and offer people housing choices which meet their needs and aspirations.” (*Aim 6: Housing Management - Local Housing Strategy*)

“Promote sustainable and mixed communities that are located in safe and attractive environments.” (*Aim 11: Community Regeneration - Local Housing Strategy*)

There is a need to increase the number of affordable homes for purchase or rent (*Improving Lives and Communities – Homes in Wales – April 2010*).

### 3. THE REPORT

- 3.1 The site was acquired along with other parcels of land adjacent to the railway line at Eastview Terrace and Aeron Place and is described as wasteland; it has been let for a number of years for grazing purposes, but the tenancy has lapsed. The site has been declared surplus to requirements and is currently held by Property Services, pending disposal.
- 3.2 An operational housing requirement for the provision of affordable housing has been identified; the housing waiting list data for the Bargoed area demonstrates that there is

housing demand in this area. The 2015 Local Housing Market Assessment identifies a shortfall throughout the County Borough of 526 affordable homes per annum. It also identifies a high number of households who are living in unsuitable housing because their accommodation no longer meets their requirements arising from disabilities, medical conditions or old age.

- 3.3 There is a significant need for affordable housing across the County Borough. Policy CW11 of the Local Development Plan (LDP) sets Affordable Housing Targets throughout Caerphilly County Borough, ranging from 40% in the higher viability area around Caerphilly Basin, to 0% in the Heads of the Valleys Regeneration Area (HOVRA). Economic indicators and housing need have influenced these targets. Within the HOVRA there remain pockets of identified need.
- 3.4 Members will be aware that the Council's currently zoned housing association partners are UW, operating in the western valley and Seren, operating in the eastern valleys. As this site falls within the area zoned for UW, it is the Council's partner for this scheme.
- 3.5 UW will prepare a scheme in consultation with relevant officers to identify a mix of properties that addresses the needs identified within the Council's Housing register. Other benefits that UW can bring are the emphasis on sustainable construction including Code for Sustainable Homes Level 3+ and Targeted Recruitment and Training (TR&T).
- 3.6 The Protocol for Disposal of Property states, at paragraph 8.1(iv), that in those cases where it is possible to market a property but the Head of Property is of the opinion that this course of action may not be in the best financial or service interests of the Authority, Cabinet approval will be obtained before direct negotiations are opened with a single party, and the views of ward members will be taken into consideration.
- 3.7 In the event that UW is unable to proceed at market value (because its total cost of development, including land acquisition and build cost, is limited by Welsh Government regulations), a further report will be brought forward setting out options for members' consideration.
- 3.8 **The Planning Perspective**
  1. The site in question lies within the settlement boundary of Bargoed, as defined in the Adopted Local Development Plan (LDP). The settlement boundary defines the area within which development would normally be acceptable subject to all relevant policy considerations and all other development management considerations.
  2. Policy SP6 of the LDP requires development proposals to 'contribute to creating sustainable places by having full regard to the context of the local, natural, historic and built environment'.
  3. A shortfall in affordable housing is a significant issue facing residents in the county borough. In this context Policy SP15 seeks to deliver at least 964 affordable houses through the planning system up to 2021. The LDP identifies that the HOVRA area is one where there is a 0% Affordable Housing target. However LDP1: Affordable Housing highlights that in the HOVRA, that there are still pockets of need within this housing market area.

#### **Open Space and Leisure requirements**

4. As the site is currently open space within settlement limits, an Open Space Assessment in line with policy CW7 and LDP8: Protection of Open Space has been carried out. The purpose of the survey is to ensure that there is sufficient

informal open space remaining in the area, The survey indicated that the release of this site for development would result in only 0.15 Ha of recreational informal Open Space remaining in the area, compared to a benchmark of 1.75ha. However, given that the land is adjacent to Bargoed Country Park, there is a need to balance the demand for housing, against the loss of the open space. Consequently, there are no policy objections raised to the release of the land.

#### **Additional Observations**

5. Highways do not object to the principle of development and have commented that parking provision must comply with LDP5:Car Parking Standards, and that visibility at the junction of Eastview Terrace with Park Place will need to be confirmed for compliance with the Manual for Streets.

In summary, officers consider that the release of this site for residential development is acceptable in principle, subject to all relevant policy considerations and all other development management considerations that will be dealt with at the Planning Application stage.

#### **4. EQUALITIES IMPLICATIONS**

- 4.1 An Equalities Impact Assessment (EqIA) screening has been completed in accordance with the Council's Equalities Consultation and Monitoring Guidance and no potential for unlawful discrimination and / or low level or minor negative impact have been identified, therefore a full EqIA has not been carried out.

#### **5. FINANCIAL IMPLICATIONS**

- 5.1 A capital receipt will be received from the sale of this land.

#### **6. PERSONNEL IMPLICATIONS**

- 6.1 There are no personnel implications of the report.

#### **7. CONSULTATIONS**

- 7.1 Cllrs David Carter and Tudor Davies separately declared an interest in the matter.
- 7.2 There are no other views expressed as a result of consultation that differ from the recommendation.

#### **8. RECOMMENDATIONS**

- 8.1 That land at Eastview Terrace be sold to United Welsh Housing Association for the development of affordable housing, on terms to be negotiated.
- 8.2 Approval of the detailed terms of the disposal be delegated to the Head of Performance and Property Services in conjunction with the Cabinet Member for Performance and Asset Management, for the purposes identified in the report.

#### **9. REASONS FOR THE RECOMMENDATIONS**

- 9.1 The asset is surplus to the operational requirements of Caerphilly CBC.
- 9.2 Paragraph 8.1(iv) of the Disposal Procedure in Part 4 of the Council's Constitution states that Cabinet approval will be obtained before direct negotiations are opened with a single party where it is possible to market a property but where the Head of Performance and Property Services is of the opinion that this course of action may not be in the best financial or service interests of the Authority.
- 9.3 To deliver an affordable housing scheme that meets with the needs identified within the Council's Local Housing Market Assessment and Housing register.

## **10. STATUTORY POWER**

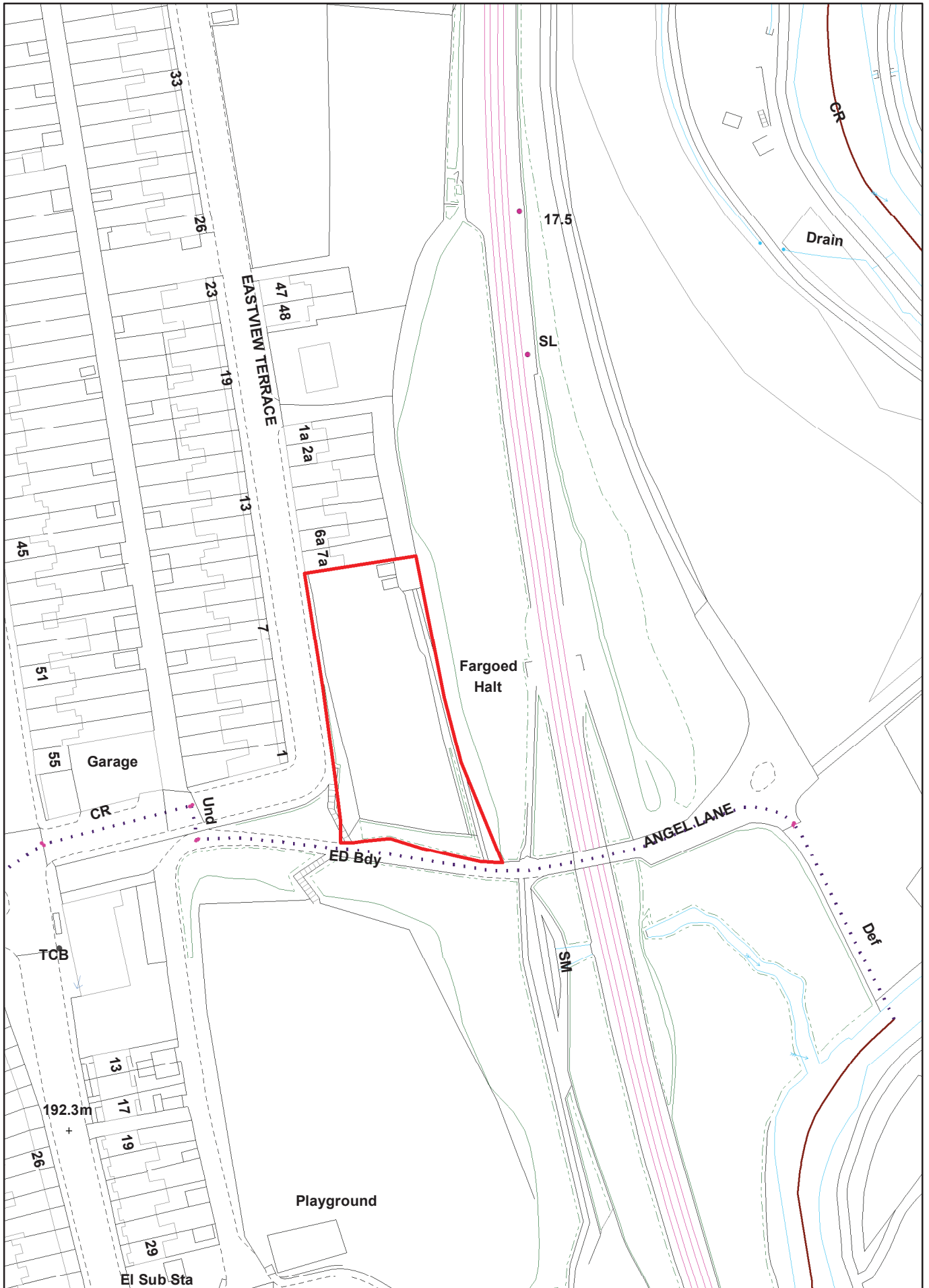
- 10.1 Local Government Acts 1972 and 2000, and The Local Government Act 1972: General Disposal Consent (Wales) 2003. This is a Cabinet Function.

Author: Colin Jones, Head of Performance and Property Services

Consultees: Chris Burns, Interim Chief Executive  
Nicole Scammell, Acting Director of Corporate Services  
Pauline Elliott, Head of Regeneration & Planning  
Tim Stephens, Development Control Manager  
Rhian Kyte, Team Leader Strategic & Development Planning  
Clive Campbell, Transportation Engineering Manager  
Richard Crane, Senior Solicitor  
Shaun Couzens, Chief Housing Officer  
David A Thomas, Senior Policy Officer (Equalities & Welsh Language)  
Cllr D Hardacre, Cabinet Member for Performance and Asset Management and ward member  
Cllr D Poole, Deputy Leader and Cabinet Member for Housing  
Cllr David Carter, Ward Member  
Cllr Tudor Davies, Ward Member  
Cllr Dianne Price, Ward Member  
Gail Williams, Monitoring Officer

Background Papers:  
Property PReMIS ID 6534 can be inspected at Tredomen House

Appendices:  
Appendix 1 Plan showing the land



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## CABINET - 28TH OCTOBER 2015

**SUBJECT: RHYMNEY TOWN CENTRE LOANS SCHEME**

**REPORT BY: INTERIM CHIEF EXECUTIVE**

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### **1. PURPOSE OF REPORT**

- 1.1 To provide Cabinet with details of repayable funding secured from Welsh Government (WG) towards a long-term town centre loan scheme for Rhymney. The scheme will fund projects that complement the WG Vibrant and Viable Places Tackling Poverty Fund and that seek to reduce the number of empty, underused sites and premises in town centres.
- 1.2 To seek approval for the implementation of this Loans Scheme.

### **2. SUMMARY**

- 2.1 In February 2015 Welsh Government (WG) launched a new initiative offering long term loans to Local Authorities to provide capital funding to towns located within WG's Tackling Poverty Fund areas for key regeneration projects. The loans are available to Local Authorities for a maximum period of 15 years.
- 2.2 In July 2015, Caerphilly Council secured up to £500,000 of repayable funding for a loan finance scheme in Rhymney and this report outlines how the proposed Town Centre Loan scheme will operate.

### **3. LINKS TO STRATEGY**

- 3.1 The Town Centre Loan Scheme for Rhymney would contribute to the priorities and activities set out in the 'People, Business, Places', Caerphilly's Regeneration Framework and Action Plan. It also links directly to the priorities set out in 'Caerphilly Delivers', the Single Integrated Plan for a Prosperous Caerphilly, Greener Caerphilly and Healthier Caerphilly:
  - P1 Improve local employment opportunities including access to opportunities across a wider geographical area.
  - P3 Provide support to enable local people to compete for all employment opportunities
  - G1 Improve local environmental quality.
  - G3 Maximise the use of the environment for health benefits.
  - H5 Ensure people are supported to live in their own communities to lead safe, fulfilled and independent lives

## 4. THE REPORT

### **WG Town Centre Loan Scheme:**

- 4.1 Welsh Government launched a £5million Town Centre Loans Scheme in February 2015, available to towns located within the Welsh Government's Tackling Poverty Fund areas. In Caerphilly County Borough Council's case the eligible area is restricted to Central Rhymney. A map at appendix 1 shows the area.
- 4.2 The scheme aims to reduce the number of vacant, underutilised and redundant sites and premises in town centres and to encourage more sustainable uses to support the diversification of town centres. The outcomes will focus on supporting job creation and economic growth, tackling poverty, increasing the supply and quality of accommodation on offer, support the vibrancy and viability of town centres and support targeted training and recruitment during construction.
- 4.3 The Welsh Government funding is in the form of a loan for up to 15 years to be spent on key regeneration projects which meet the aims and objectives of the Town Centre Loans Fund. During the 15 years, authorities can recycle and re-invest the funding on different projects that are able to generate a return on investment and ultimately repay the loan in full to Welsh Government at the end of the term.

### **Award of Funding:**

- 4.4 Rhymney is the only area within the borough identified within WG's Tackling Poverty Fund. An application was made for funding under the Town Centre Loans Scheme and in July 2015, £500,000 was secured that can be used:
- a. to acquire and unlock sites and premises with the intention of packaging and selling a proposal on the open market within an agreed timeframe;
  - b. to redevelop or refurbish sites and premises with an agreed timeframe; and
  - c. to provide loans to third parties for repayment within an agreed timeframe.
- 4.5 Consequently, two principal project themes have been developed:
- A Town Centre Owner Loan Scheme
  - Caerphilly Council Asset Improvement and Disposal Programme.

These ideas were formulated following discussion with the Cabinet Member for Regeneration, local members and internal officers.

- 4.6 The Town Centre Owner Loan Scheme will be aimed towards commercial property owners in Rhymney to improve empty and underutilised properties to bring them back into beneficial use. At least six properties within Rhymney could be targeted under this scheme. The Council will work with the property owners to establish uses that will in turn create local jobs. A budget of £300k will be allocated for this loan scheme, with a loan investment to the private sector of between £240 - £300k. The loans will be promoted at an intervention rate of 80% but it may be necessary to offer 100% loans. The loan repayment period to property owners will be five years. Welsh Government's specific criteria for the loaning of funds to third parties are detailed in Appendix 2. Great care will have to be taken in loaning monies since if the recipient defaults, the risk of default will be shared equally between the Local Authority and the Welsh Government. A charge will be secured against the asset which should have sufficient equity to cover the value of the loan. The internal evaluation process will broadly follow the criteria set out in the Welsh Government Houses into Homes Empty Property Initiative currently running.
- 4.7 The Asset Improvement and Disposal Programme will target local authority owned sites and premises to attract investment from the private sector. Works will be undertaken to make sites and premises more attractive to the private sector, reducing the initial



financial burden and risk for developers. Such works will encourage economic growth in Rhymney. Two sites/premises have already been identified for possible improvement under this programme, namely the former Aldi site and the property 38b High Street. This was after extensive discussion with officers from within the Property, Housing and Economic Development section. An allocation of the repayable loan of £200k will be allocated to this programme which, it is envisaged, will be recouped when the properties are sold on. However there is an element of risk that the Council do not recoup their investment and because of this risk, the business case to spend should be signed off at Cabinet level. Appendix 3 sets out the WG conditions which apply to the Council's use and administration of the repayable funding. It must however be noted that the Council can borrow from the Public Works Loan Board on an annuity basis over 5 years at just 1.62%. Hence there are other options available if there was a good invest to save cases

- 4.8 The repayable funding is available to the Council from 1<sup>st</sup> August 2015 and must be claimed in full by 1<sup>st</sup> November 2015. The funding must be utilised and repaid before 30<sup>th</sup> March 2031.

**Management of the Loan Scheme:**

- 4.9 The Welsh Government will work with Local Authorities over the coming months to discuss how the programme will operate in each area. In the meantime, the authority is preparing the necessary structures and processes to administer the loan scheme.
- 4.10 The Town Centre Owner Loan Scheme will be established using the Council's Building and Commercial Improvement Grant structure which complies with the council's governance arrangements. The Operating Procedures and Terms and Conditions will be updated to reflect that loans are to be offered and will emulate the conditions set out in the similarly approved National Home Improvement Scheme.
- 4.11 Any application, accompanied with an independent property valuation, received under this scheme will be assessed by Urban Renewal officers within Regeneration and Planning and a loan approval report prepared based on the data of the application and legal advice obtained, the Loan Approval Report would then be subject to approval by the Council's Section 151 Officer (or her deputy) and Head of Regeneration and Planning in consultation with the Cabinet Member for Regeneration and Planning. Any decisions on loan award would have to be subject to a risk analysis. A legal charge will need to be secured on each property receiving a loan to protect the Council's position.
- 4.12 The Asset Improvement and Disposal Programme will be principally led by Property Services but overseen by a working party established with officers from Urban Renewal, Private Housing and Property Services. A costed programme of works will be developed by the working party before proceeding with any construction activities. Upon completion of the improvement works, the site will be offered to the private sector in line with the Council's adopted protocol for land and property disposal.

**Risks:**

- 4.13 There are inherent risks with loan funding from the Welsh Government and also subsequently to the private sector. However these risks will be minimised with secure protocols set up to manage and govern the scheme. It is however worth highlighting some of the risks associated with the scheme.
- 4.14 The risk of default will be shared equally between the Local Authority and the Welsh Government. If an individual loan recipient is unable to repay the loan then the Council will need to bear 50% of the amount defaulted on. A legal charge secured against the property associated with any loan will help protect the council against this risk. Welsh Government have also indicated that the usual level of default is circa 5% on other loan schemes they operate.

- 4.15 Due to the weak commercial property market and economy in the region, the offer of loans to businesses and property owners may not prove attractive. However, the potential to offer loans between 80-100% may entice and attract interest.
- 4.16 The lack of interest from developers and house builders to this geographical location indicates that there is no guarantee of a return against the investment made. Furthermore, the anticipated purchase price of the sites/premises may not be realised, affecting the Council's ability to repay the loan. The loan on the Authority's assets will then need to be funded from the Authority's capital programme, which means less for other schemes/projects.
- 4.17 The risk of potential defaults on repayments will be minimised by operating the scheme under the same terms and conditions of other WG backed loan schemes which run a 5% default rate such as the Houses into Homes Initiative. Furthermore the application process will establish that the loan recipient is able to make the repayments by undertaking a series of financial checks. A legal charge will also be secured upon any property which utilises loan funding.
- 4.18 Members should be aware that the need to operate strict criteria and manage risk may mean that we are unable to allocate all or some of the loan fund. Loans are unlikely to be attractive to Rhymney because most property owners would be unable to meet repayments. Indeed even grant schemes where a property owner has had to make a small contribution have proved problematic in this locality in the past.

## **5. EQUALITIES IMPLICATIONS**

- 5.1 There are no direct equality implications to this report.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 If the scheme is supported, the Authority may be able to support the regeneration of Rhymney, albeit the funding on offer from Welsh Government is loan funding which will have to be repaid in 15 years.
- 6.2 It should be recognised that there are risks associated with the loaning of funds and should the loan funding not be returned through its investment, the Council will need to repay the loan and would need to make these funds available which will reduce spend on other Local Authority schemes.

## **7. PERSONNEL IMPLICATIONS**

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

## **8. CONSULTATIONS**

- 8.1 The report has been sent to the consultees listed below and all comments from consultees have been incorporated into the report.

## **9. RECOMMENDATIONS**

- 9.1 To seek approval for the implementation of a Town Centre Loans Scheme in Rhymney.

## **10. REASONS FOR THE RECOMMENDATIONS**

- 10.1 To enable the Authority to benefit from an interest free loan to eligible property owners within Rhymney and to make authority owned sites more attractive for investment by the private sector.

## **11. STATUTORY POWER**

- 11.1 Sections 70 and 71(1) of the Government of Wales Act 2006 and sections 126-128 of the Housing Grants, Construction and Regeneration Act 1996.

Author: Pauline Elliott, Head of Regeneration and Planning  
Consultees; Chris Burns, Chief Executive  
Cllr Ken James - Cabinet Member for Regeneration, Planning and Sustainable Development  
Ian MacVicar – Group Manager Operations - Asset Based Services  
Allan Dallimore – Urban Renewal Team Leader  
Nicole Scammell – Acting Director of Corporate Services.  
Stephen Harris – Acting Head of Corporate Finance  
Gail Williams – Interim Head of Legal Services  
Liz Lucas – Head of Procurement  
Tim Broadhurst – Section Head Estates, Performance and Policy  
Cllr Gina Bevan – Moriah  
Cllr John Bevan – Moriah

### Appendices:

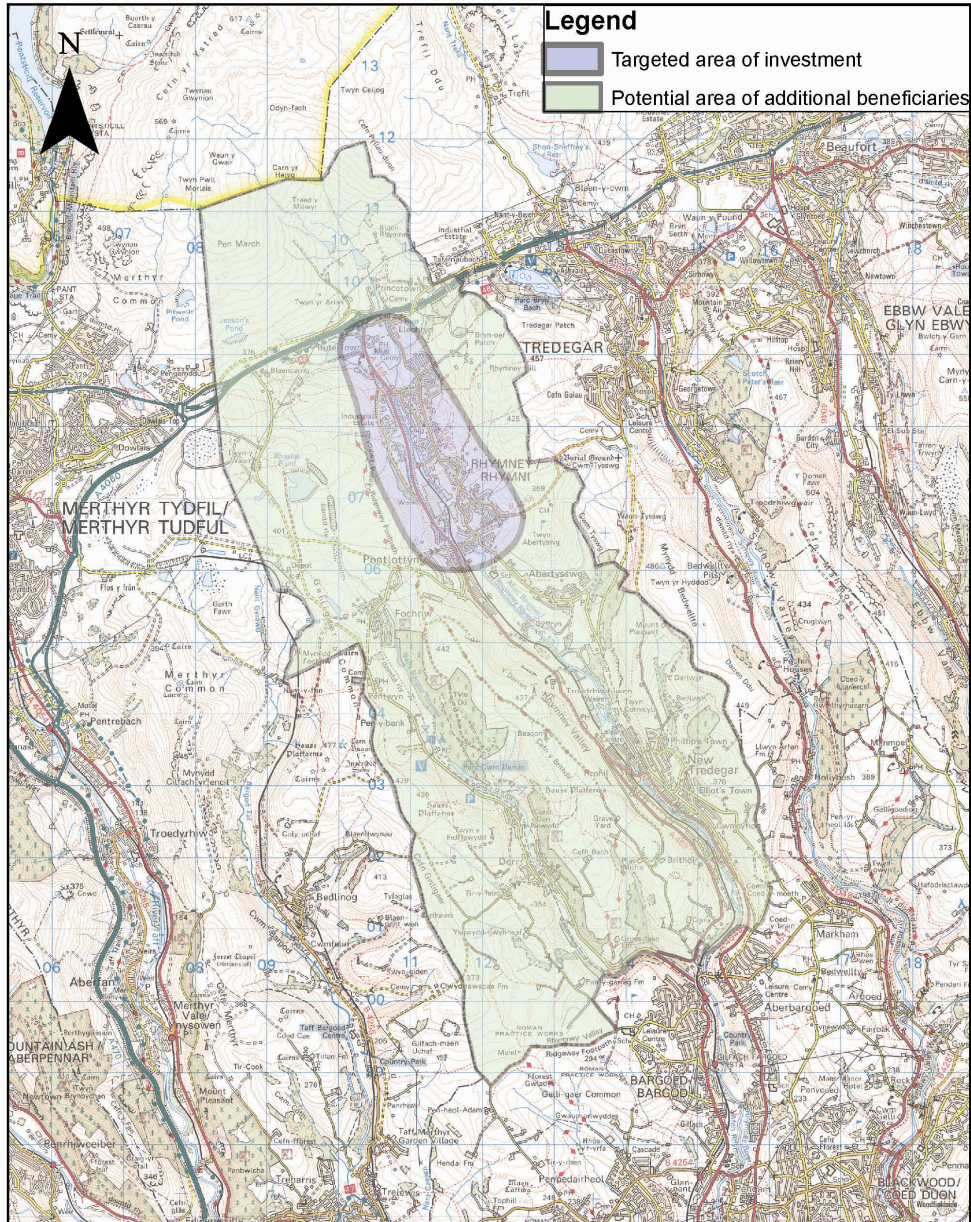
- Appendix 1 - Town Centre Loan Scheme Eligible Area (Targeted Area of Investment)  
Appendix 2 - Criteria For Loaning Funds To Third Parties  
Appendix 3 - Welsh Government Conditions which apply to the Council's Use and Administration of the Repayable Funding

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Appendix 1 - Town Centre Loan Scheme Eligible Area (Targeted Area Of Investment)

Caerphilly County Borough Council  
Upper Rhymney Valley Settlement Area

1:80,000



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Atgynhychwyd o fapiaid yr Arolwg Ordnans gyda chaniatod rheolwr Llyfrfa ei Mawrhydi hawffrwynt y Goron. Mae atgynhychu heb awdurdod yn torri hawffrwynt y Goron. Gall hyn arwain at erlyniad neu achos sifil. Cyngor Bwrdeistref Sirol Caerffili, 100025372, 2008.

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## Appendix 2 - Criteria For Loaning Funds To Third Parties

Maximum TCL charge	A one off administration fee of up to 15 per cent e.g. a £10,000 TCL could incur a fee of £1,500.
Minimum and maximum TCL value	£5,000 up to £1 million
Improvement required	Works which make a residential property safe, warm and/or secure.
TCL can be used to improve a property to/for:	<ul style="list-style-type: none"> <li>• Continued ownership</li> <li>• Sell</li> <li>• Rent</li> <li>• Unlock a vacant or stalled site</li> </ul>
Loan criteria for private rented sector only	<ul style="list-style-type: none"> <li>• Must be free of category 1 hazards.</li> </ul>
Interest	TCLs must be interest free
Maximum TCL Period	5 years
Repayment terms	Choice of staged repayments or full repayment at end of loan term or on sale of the property if earlier.
Eligible applicants	Owners of sub standard properties e.g. landlords, owner occupiers who pass affordability checks i.e: charities – last 3 years financial accounts, companies/businesses – last 3 years accounts.
Risk mitigation measures	Two or more of the following: loan to value ratio, second property charges, local land charges, staged

	repayments.
Other funding options	<ul style="list-style-type: none"><li>• Other funding options such as Arbed must be explained to the applicant.</li><li>• Other funding options can be used in conjunction with the loan as long as they are funding separate works.</li><li>• Applicants that can easily obtain commercial finance to fund the improvement works should be directed to appropriate sources of funding.</li></ul>



**Part 2: Conditions on the use and administration of the Repayable Funding.**

1. The Repayable Funding is not awarded in replacement of any current scheme in place for those individuals/businesses in absolute need. It is offered and intended to complement any current scheme operated by you which provides grants to those who cannot make loan repayments.
2. You must hold and use the Repayable Funding as a recyclable fund (the "Fund"). Repayments by third party loan recipients and any profit you make when you use any part of, the Repayable Funding as described in paragraph 2 (a) and (b) of this Schedule 1 must be recycled during the Term. You may decide not to recycle the Repayable Funding during financial years (1 April – 31 March) 2028/29, 2029/30, 2030/31.
3. From 1 April 2017 you must not retain any Repayable Funding for longer than 6 months and must either make arrangements to transfer such underspend to another pilot local authority region (in accordance with paragraph 5 of Schedule 1, part 2) or to repay the sum to us on demand.
4. You must inform us of any expected "underspend" in the Repayable Funding immediately and make arrangements to transfer such underspend to another pilot local authority within the financial year [2015/16] [2016/17] (in accordance with paragraph 5 of Schedule 1, part 2) or to repay the sum to us on demand.
5. You may not transfer any Repayable Funding to another pilot local authority without our written approval. To obtain our written approval you must send the intra-region transfer pro-forma signed by you and the other pilot local authority to the Welsh Government Official.
6. Any interest earned from holding the Repayable Funding must be recycled into the Fund and added to the sum available for the Purposes.
7. The Repayable Funding cannot be used towards any management, administration or operating costs incurred by you in delivering the Purposes and in managing and administering the Fund.

8. Any fee charged by you for providing TCLs may be used towards any operating costs incurred by you in providing TCLs and managing and administering the Fund including (but not limited to) any legal or professional costs or the costs of any searches.
9. You are responsible for managing all TCLs provided and for ensuring that all necessary procedures are in place before any TCL is offered. In the event that you procure a third party to manage and administer the Fund and to provide the TCLs you must ensure that appropriate contractual documentation is in place between you and the third party.
10. You must determine what due diligence procedures are appropriate and undertake the necessary due diligence before using a part of the Repayable Funding to finance a transaction. .
11. You must put in place appropriate TCL terms and conditions ensuring that they are in accordance with the provisions of Part 1 of this Schedule 1. It is your responsibility to obtain legal advice on the terms and conditions on which any TCLs are provided.
12. You must agree with the loan recipient of each TCL the specific purpose for which the TCL is provided and how you will measure the success of the loan recipient's delivery of that purpose. SMART targets must be agreed.
13. You must collaborate with the other pilot local authorities within your region to agree (i) consistency in the provision and management of the TCL and (i) the procedure for the transfer of Repayable Funding to another pilot local authority during the financial year [2015/16] [2016/17].
14. You must exercise reasonable skill care and diligence in your management of the Fund.