



POLICY AND RESOURCES SCRUTINY COMMITTEE

**MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH ON
TUESDAY, 10TH APRIL 2018 AT 5.30 P.M.**

PRESENT:

Councillor J. Pritchard - Chair

Councillors:

M. Adams, Mrs E.M. Aldworth, K. Etheridge, Mrs C. Forehead, Miss E. Forehead, L. Harding, G. Kirby, C.P. Mann, J. Ridgewell, R. Saralis, Mrs M.E. Sargent, J. Taylor, L.G. Whittle

Cabinet Members:

C. Gordon (Corporate Services), Mrs B. Jones (Finance, Performance and Governance) and Mrs L. Phipps (Homes and Places).

Together with:

S. Couzens (Chief Housing Officer), F. Wilkins (Public Sector Housing Manager), M. Williams (Interim Head of Property Services), T. Stephens (Interim Head of Planning), G. Williams (Acting IT Operations Manager), C. Forbes-Thompson (Interim Head of Democratic Services), C. Evans (Interim Scrutiny Officer), R. Barrett (Committee Services Officer)

Also present:

Councillor L. Binding (Aber Valley Ward), E. Hunt (BT Openreach), M. Groves (Welsh Government)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors K. Dawson and Mrs D. Price (Vice-Chair).

2. DECLARATIONS OF INTEREST

There were no declarations of interest received at the commencement or during the course of the meeting.

3. MINUTES – 27TH FEBRUARY 2018

RESOLVED that the minutes of the Policy and Resources Scrutiny Committee held on 27th February 2018 (minute nos. 1 - 9) be approved as a correct record and signed by the Chair.

4. CALL-IN PROCEDURE

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

5. REPORT OF THE CABINET MEMBERS

The Scrutiny Committee noted the contents of the reports from Councillors Mrs L. Phipps and C. Gordon, which provided an update on their respective portfolios, and had been circulated to Members in advance of the meeting. Councillor Mrs B. Jones also delivered a verbal update on her portfolio.

The report from Councillor L. Phipps (Cabinet Member for Homes and Places) outlined the latest developments across the Property Services portfolio, including the demolition of the Pontllanfraith Civic Centre, a new classroom block at Newbridge school (which will help to accommodate the additional intake arising from the closure of Cwmcarn High School) and the marketing of the Ty Dyffyn site. Across Caerphilly Homes, Members noted progress made in respect of the WHQS programme, together with the conclusion of the Rowan Place regeneration programme.

A Member queried the potential use of the Ty Dyffryn site, and the Cabinet Member confirmed she would raise this with Officers and ask them to respond to the Member in due course. The Scrutiny Committee were pleased to note the Council's progress and positive position in respect of the December 2020 deadline, and discussed how the Council will fare regarding properties where they are unable to gain access to carry out the improvement works. The Cabinet Member confirmed these will be marked as an "acceptable fail" and that the Council will strive to complete the works when such properties become vacant. Members also placed on record their thanks to all Officers involved in the Rowan Place regeneration programme.

Councillor Mrs B Jones (Cabinet Member for Finance, Performance and Governance) referred to the Corporate Finance service area and explained that potential savings are already being examined for consideration as part of next year's budget proposals. Members were advised that this will be a challenging year for the Authority, with savings required in excess of £10m, and means that a number of difficult decisions will need to be made in order to achieve this level of savings.

The report from Councillor C. Gordon (Cabinet Member for Corporate Services) updated Members on activities across IT and Central Services, including the preparation for the new General Data Protection Regulations that come into operation on 25th May 2018. The Council are required to establish a new statutory officer role of Data Protection Officer, and Cabinet recently approved the recommendation to allocate the role to Joanne Jones (Corporate Information Governance Manager). Members were also advised of the new Income Management System Replacement which went live on 3rd April 2018.

The Cabinet Members were thanked for their reports.

6. POLICY AND RESOURCES SCRUTINY COMMITTEE FORWARD WORK PROGRAMME

Charlotte Evans (Interim Scrutiny Officer) presented the report, which outlined details of the Policy and Resources Scrutiny Committee Forward Work Programme (FWP) for the period April 2018 to July 2018. Members were asked to consider the FWP alongside the Cabinet Work Programme as appended to the report and to suggest any changes.

Members were advised of two forthcoming reports (Flat Accommodation at River Road,

Pontllytyn and The Grove, Fochriw, and New Home Loans Scheme) and were asked to consider whether they wished these to be scheduled as information items, or reschedule other items on the Forward Work Programme in order to accommodate these reports.

Discussion took place on whether there was a need for the report in respect of Flat Accommodation at River Road, Pontllytyn and The Grove, Fochriw to be presented to the Committee for consideration. Officers outlined the content and purpose of the report, in that it will be seeking Cabinet approval of the demolition of flats at both premises. Members were reminded that there are other avenues available to them if they wish to highlight any issues regarding the report (such as the Cabinet call-in process and the opportunity to speak on the matter at the Cabinet meeting). The Scrutiny Committee subsequently agreed that the report be scheduled as an information item for 29th May 2018. It was also agreed that the New Home Loans Scheme report be scheduled as an information item for 10th July 2018.

Members were advised that there would be several external representatives at the next meeting on 29th May 2018 to speak on the items listed in the FWP for that meeting, and were also reminded of the forthcoming workshop (provisionally scheduled for the beginning of June) to consider and agree the Committee's forward work programme for the year ahead.

It was unanimously agreed that subject to the foregoing changes, the Policy and Resources Scrutiny Committee Forward Work Programme be published on the Council's website.

7. CABINET REPORTS

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

REPORTS OF OFFICERS

Consideration was given to the following reports.

8. BRITISH TELECOM - BROADBAND COVERAGE AND THE DIGITAL PROFILE

The Chair welcomed Ed Hunt from BT Openreach and Michael Groves from Welsh Government, who were in attendance to speak on the report. Councillor Lyndon Binding was also present to speak on the item, having made the original request for the agenda item.

Mr Hunt and Mr Groves provided an update on broadband coverage across the county borough, the progress made by the Superfast Cymru project, and the developments ahead. Superfast Cymru was developed as a partnership between BT and Welsh Government (WG) to provide access to high speed broadband to the majority of homes and businesses in Wales who cannot get it through the private sector's own commercial rollout programmes. Members were advised that across Caerphilly county borough, 97.8% of properties now have access to high speed broadband, which has significantly increased from 46% in 2013.

Welsh Government are now working on the next stage of the rollout of fast reliable broadband to extend coverage even further. Openreach are tackling the remaining areas by encouraging take-up of Community Fibre Partnerships, which is a scheme carried out via a joint funding arrangement with local groups to bring fibre broadband to an area. Within Caerphilly, Welsh Government are liaising with the Council's Regeneration and Planning Officers to discuss the infrastructure available in the county borough in order to maximise the scheme for local residents.

In addition, the Welsh Government have developed their Superfast Business Wales scheme, which is a fully funded support service (via WG and ERDF funding) that helps businesses to understand, adopt and exploit superfast broadband enabled technologies in order to benefit their business. Mr Groves provided an overview of the scheme and the processes involved in reaching out to businesses so that they can take full advantage of the opportunities available to them, including a free programme of support, a tailored one-to-one advice session with a Digital Business Advisor, a free website review, and details of local events and workshops of relevance or interest to the business.

Councillor Binding was invited to speak on the presentation and outlined his concerns over the length of time taken to attain the current level of high speed broadband coverage within the county borough. He queried the reliability of copper wiring for superfast broadband lines and in referring to the current G.fast' technology pilot being undertaken by Openreach across a number of UK locations, queried the selection of the two Welsh locations (Cardiff and Swansea) and the plans for the way forward in respect of this new technology.

Mr Hunt outlined the cost and speed advantages of copper wiring and how it integrates with the new G.fast technology. Welsh Government are aiming to roll this new technology by 2020 but are faced with a number of challenges, including the need for policy guidance in regards to mobile networks and assistance from the regulator in this regard, together with a need for price cuts and investment in the new technology and the development of specific grants for community schemes.

Councillor Binding queried the mechanisms available to individuals who do not have broadband coverage in their area. Mr Groves provided details of the Access Broadband Cymru (ABC) scheme, which provides grants to fund/part-fund the installation costs of new broadband connections for homes and businesses in Wales. New connections through this scheme must deliver a step change in speed, and the amount of funding available depends on the speed of the new connection. It was explained that WG are aspiring to provide coverage to 100% of properties across Wales, and that a new project currently out to tender will see a significant amount of investment in order to facilitate this coverage. Members were asked to note that Caerphilly is in a better position compared to other areas of Wales where the percentage of those without broadband coverage remains significantly higher.

Mr Hunt and Mr Groves welcomed questions from the Scrutiny Committee and discussion took place on a number of topics. A Member expressed a need for the Council to be able to convey the message to residents and local businesses regarding the broadband options available to them. Mr Groves outlined how the WG shares such information with all local authorities in Wales and works closely with relevant Members in order to relay the channels and platforms available. This includes a Working Business Forum between the 22 local authorities and partnership stakeholders.

The representatives also provided clarification on the "drop-off" rate for broadband between green BT cabinets and individual properties, and explained that this is dependent on a number of factors, including the distance between properties, cabinets and the BT exchange. It is anticipated that some new cabinets will be installed once the new WG project comes to fruition. Discussion took place over whether these green cabinets create an obstacle to pedestrians and it explained that these are located so as not to cause an obstruction for the public.

Members welcomed the news of the processes being undertaken to improve broadband availability and expressed the need for residents to be able to access it both in the workplace and at home, particularly if there are occasions where they work from home. It was suggested that it would be useful for the Scrutiny Committee to have a map showing the level of broadband coverage for each ward within the county borough. It was confirmed that WG are in the process of collating this data and would arrange to share it with Members.

Having noted the contents of the presentation, the Scrutiny Committee thanked Mr Hunt, Mr Groves and Councillor Binding for their attendance and informative contributions. Members welcomed the opportunity for a further progress report and it was confirmed that this would be discussed at the forthcoming FWP workshop.

9. REVIEW OF THE RECHARGEABLE REPAIRS AND APPEALS PANEL

Shaun Couzens (Chief Housing Officer) and Fiona Wilkins (Public Sector Housing Manager) presented the report, which had also been considered by the Caerphilly Homes Task Group on 29th March 2018. The report sought the views of the Scrutiny Committee on the review of the operation of the Rechargeable Repairs and Appeals Panel, and the need to consider revising the way in which second stage reviews are considered, prior to these proposals being presented to Cabinet.

Members were advised that the Rechargeable Repairs Policy (approved by Cabinet on 18th March 2015) allows tenants to request an independent review of their recharge if they have good reason to disagree with a previous decision made by officers/managers. The review process comprises of three stages; an informal review by officers, a first stage formal review by a manager, and a second stage formal review by the Rechargeable Repairs and Appeals Panel, who make a recommendation to the Chief Housing Officer (who has the final decision) on whether the recharge should be upheld. The second stage review replaced the second stage of the Corporate Complaints Procedure with regards to recharges only. The Panel was suggested by the Repairs and Improvements Group in August 2014 and was considered an opportunity to involve tenants and Members in reviews.

The report provided information on the second stage reviews considered by the Panel to date and the outcomes of these reviews. Due to the extensive additional resources required in facilitating the panel, cost implications, consequential delays in decision making and the limited number of cases being brought forward, the report proposed that the use of a panel for second stage reviews be replaced with a procedure to mirror the second stage of the Corporate Complaints Procedure, with the final decision being made by the Chief Housing Officer or Public Sector Housing Manager. It also proposed alternative arrangements to ensure that the quality and consistency of decision making in relation to reviews is maintained (including regular meetings by an Officer panel) and to keep tenants informed about decision making in respect of rechargeable repairs.

It was noted that at its meeting on 29th March 2018, the Caerphilly Homes Task Group expressed concerns regarding the costs associated with the Panel meetings given the low cost of the recharges being reviewed. They also suggested that the Panel lacks sufficient tenant representation and that its discontinuation could lessen their role further in terms of tenant voice across the review process. Members further suggested that consideration could be given to call recording to minimise future cases of recharge reviews. The Group subsequently supported the report recommendations by a majority vote, with it noted that there were 5 in favour of the proposals and 4 abstentions.

During the course of the ensuing discussion by the Scrutiny Committee, a Member suggested that an independent arbitrator be included in the replacement second stage of the process, and Officers outlined the practicalities to consider in this respect, given the low level/value of the recharges being reviewed. It was reiterated that the proposed replacement second stage process would mirror the Corporate Complaints process, and that it was also intended for an annual report to be provided to the Repairs and Improvement Group detailing the outcome of any recharge reviews. Members were reminded of the considerable costs in convening each meeting, and that given in the last 18 months there had been only 9 review cases, there was a need to consider on balance whether this was a good use of resources and Member/Officer time.

In response to Members' queries, Officers outlined the invoicing costs associated with recharges and also provided further detail on the list of exceptional circumstances appended to the report which gives discretion to waive recharges in certain cases. Discussion took place regarding recharges arising from wear and tear and the importance of using good quality fittings, which had been discussed at the Task Group meeting. Officers gave assurances that all materials used in Council properties are of a good quality specification and key components have an appropriate level of guarantee/warranty. Reference was made to issues around tenant communication in respect of recharges and Officers outlined procedures that have been put in place to improve these areas (such as proof of visits in cases of failed access and changes to the information included in tenant letters).

Discussion took place regarding insurance policies and Officers outlined the levels of cover that are offered through the Council, which will cover certain repairs and accidental damage. It was confirmed that all tenants are due to receive a letter detailing the various premiums and cover available and it was agreed for this information to also be sent to the Policy and Resources Scrutiny Committee. In response to a Member's query, it was agreed that detail on the number and type of recharge reviews could be incorporated into the annual report that is prepared in respect of complaints and representations across Caerphilly Homes.

Following consideration of the report and in taking into account the views of the Caerphilly Homes Task Group, it was moved and seconded that the following recommendations be referred to Cabinet for approval. By a show of hands (and in noting there was 1 against), this was agreed by the majority present.

RECOMMENDED to Cabinet that:-

- (i) the Rechargeable Repairs and Appeals Panel be discontinued;
- (ii) all second stage reviews of rechargeable repairs be investigated using a process that mirrors the second stage of the Corporate Complaints Procedure;
- (iii) monitoring of consistency of implementation of the Rechargeable Repairs Procedure in relation to requests for review and the application of discretion be undertaken by a Housing Manager Panel on a quarterly basis;
- (iv) an annual report be provided to the Repairs and Improvement Group on the number, nature and outcome of second stage reviews of rechargeable repairs considered under the revised procedure, together with decisions taken in respect of informal and stage 1 formal reviews.

10. AFFORDABLE HOMES IN NEW DEVELOPMENTS

Tim Stephens (Interim Head of Planning) presented the report, which provided an update on the delivery of Affordable Housing through the planning process and other mechanisms.

Members were reminded of the statutory requirement for the Council to submit an Annual Monitoring Report (AMR) to the Welsh Government, which monitors whether the Caerphilly County Borough Local Development Plan up to 2021 is being implemented successfully. The delivery of affordable housing through the planning system forms part of the monitoring process, and the AMR includes figures on the number of affordable units that have been delivered each year, together with the cumulative number of units that have been delivered specifically through the planning system and through all delivery mechanisms.

The Scrutiny Committee have requested that six-monthly updates be presented to consider

the overall delivery of affordable housing and site specific delivery against the area-specific targets set out within the LDP. The report outlined the number of affordable houses built through the planning system during the LDP plan period, together with the amount of affordable housing secured in each year as part of Section 106 agreements, and also contained information on the number of affordable units delivered through other mechanisms.

It was noted that within the LDP, and where there is evidence of need, the Council will seek to negotiate affordable housing targets with developers: 40% of the total dwellings for sites proposed within the Caerphilly Basis (excluding Aber Valley), 25% in the Northern Connections corridor (excluding Newbridge) and 10% in the rest of the county borough (including Aber Valley and Newbridge but excluding the Head of the Valley Regeneration Area). As of the 2017 AMR, 251 affordable units have been built since the start of the plan period, which is less than a third of the overall target of 964 homes, and overall, 498 units have been negotiated as part of Section 106 agreements since the adoption of the LDP in 2010. There are multiple reasons why affordable housing delivery has been lower than expected, but critically the number of Section 106 delivered units is dependent on how many market sector units are delivered. There was a general decline in house building as a result of the economic crash and recession in 2008, as well as a decrease in house prices, which have only returned to 2008 levels in the last year.

It has been established that the Supplementary Planning Guidance on Affordable Housing Obligations (LDP1) indicates that the affordable housing proportions are a target, rather than a mandatory requirement, and where it can be demonstrated that it would be not viable to deliver affordable housing at the levels set out within the LDP, then lower levels may be accepted. A number of planning applications have been submitted for Caerphilly where developers have been able to clearly demonstrate through the submission of a viability assessment that there are viability issues on a site specific basis, and has resulted in instances where there has been a reduction of in the percentage of affordable housing required. All viability assessments are robustly considered by appropriate Officers or independent experts (such as the District Valuer Service), and as part of this, consideration is given to any exceptional abnormal costs linked to ground conditions or other site constraints.

Members were asked to note that affordable housing delivered through the planning system represents only a small proportion of the total delivered overall, as most affordable housing in the county borough is developed by Registered Social Landlords (RSLs) through their own build programmes funded by the Social Housing Grant (SHG) Programme. In the plan period up to 2016, 918 new units had been delivered, which widens when the criteria for the Welsh Government Affordable Housing Return is taken into account, and increases this total to 1518 units (including new development, purchase lease or conversion) since 2007. However, this is less than half of the overall target of 3664 units to be delivered through all mechanisms as set out in the supporting text of Policy SP15 (which supports sustainable development).

During the course of the ensuing debate, Members expressed concerns regarding the lack of new affordable housing, and queried whether firmer scrutiny should be placed upon developers in order to ensure that the targets are met. Officers explained that they examine all the factors associated with each development on a case by case basis, and gave examples where applications had been referred to the District Valuer, who supported the rationale of the developer. It was emphasised to Members that the Council will negotiate wherever possible with developers in order to achieve the target proportion of affordable housing, but where there have been genuine reasons, then the Council have settled below this target. Members suggested that developers should abide by the targets set before them and that this should be reinforced when planning permission is being considered for such applications. Officers reiterated that they have to consider the viability of each proposed development whilst taking into account local and national policy.

A Member sought further information in respect of the process surrounding a viability

assessment and how this can impact on the percentage of affordable housing offered by the developer, the LDP evidence base for affordable housing targets, the number of cases gone to the district valuer, the Authority's current position given the lack of a Replacement LDP, and also expressed the need for consistency given the differing affordable housing levels across the county borough. Officers explained that Welsh Government and Council policy allows developers to put forward a case about viability to support the level of affordable homes that they are proposing to provide as part of their housing development. Members were reminded of the Council's LDP to 2021 and that although the lack of a five-year housing land supply has made the Council vulnerable when objecting to housing developments on unallocated land, such developments still have to comply with the remainder of the policies in the plan. However the weight given to each policy and other material planning considerations will vary from site to site. Officers confirmed that they would arrange to circulate detailed responses on these questions to the Scrutiny Committee following the meeting.

Clarification was sought on the reasons why developers are not always able to supply the target level of affordable housing. Officers explained that developers have their own set fixed costs, including profit margins, and if the developer cannot make a profit and the landowner cannot sell the land at a satisfactory price, then such development will not take place. Members expressed concerns that some developers could be seen to be taking advantage of the situation and thereby circumventing the target level of affordable housing to increase profit margins.

Members queried the feasibility of implementing a mandatory policy in regards to affordable housing targets. Officers explained that this would be contrary to WG guidance and that this would not be workable in that developers could elect to build in other locations instead. A Member queried whether it would be possible to realign affordable housing targets to reduce the level for the Caerphilly Basin and increase then in other parts of the county borough. It was explained that this would be contrary to WG policy and that the tiers have been established as a compromise for the requirement to provide affordable housing. Officers also responded to a number of queries in respect of RSLs, including examples of how RSL housing purchases operate and how affordable housing is distributed through RSLs

In closing, Members expressed concerns regarding the current situation in respect of affordable housing and suggested a need for the district valuer to be engaged in the arbitration of all cases where the developer cannot meet the recommended targets. It was the Scrutiny's Committee view that the number of affordable housing units delivered to date is not acceptable, and that although they recognised that placing a mandatory requirement on developers in respect of affordable housing provision is not feasible, they felt that there needs to be changes to the system in this regard. It was suggested that the topic be revisited at a future meeting of the Scrutiny Committee and that housebuilders should be invited to attend the Committee to discuss the matter.

Having thanked Mr Stephens for his detailed presentation and for responding to the queries received during the course of the debate, Members noted the contents of the report.

10. PROPERTY REVIEW REPORT 2018

Mark Williams (Interim Head of Property Services) presented the report, which sought the endorsement of the Scrutiny Committee for the Property Review Report 2018, prior to its presentation to Cabinet for approval.

Members were advised that the Property Review Report 2018 (appended to the Officer's report) attempts to provide a succinct overview and record of what is a very large and diverse non domestic property portfolio. It presents some key metrics, highlights in period trends, summarises disposals and acquisitions and sets out some of the challenges that lay ahead. It

makes no recommendations. The report follows on from the State of the Estate Report issued in May 2016 but is based on a more structured format intended to ease updating and comparison with subsequent versions. It is proposed that the Property Review Report is updated and reissued annually.

During the course of discussion on this item, reference was made to the percentage of schools rated as in 'poor' condition (71.24%) as detailed in the report and a Member queried whether this will improve once new methodology for calculating ratings is introduced. Officers explained that this is not expected to create a significant variance, but that by the time the next report is issued, there will be some improvements to this figure arising from the removal of several buildings from the portfolio during 2018/19. Clarification was also provided in respect of the criteria for the condition ratings listed in the report.

Discussion took place regarding the investment potential available for schools and it was noted that a report on 21st Century Schools and Education Band B Proposals is due to be presented to the Education for Life Scrutiny Committee and Cabinet, which will include proposals for refurbishments across a number of buildings and reduce the number of poor condition schools across the county borough. Officers also responded to queries regarding a report listed on the Cabinet Forward Programme in respect of Bedwellty School Site Playing Fields and provided clarification on the current use of these football fields.

Following consideration of the report it was moved and seconded that the following recommendation be referred to Cabinet for approval. By a show of hands this was unanimously agreed

RECOMMENDED to Cabinet that the Property Review Report 2018 as appended to the Officer's report be endorsed.

The meeting closed at 8.00 p.m.

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 29th May 2018, they were signed by the Chair.

CHAIR