



## **HOUSING AND REGENERATION SCRUTINY COMMITTEE**

**MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH ON  
TUESDAY, 28TH JANUARY 2020 AT 5.30 P.M.**

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PRESENT:

Councillor J. Ridgewell - Chair  
Councillor Mrs C. Forehead - Vice-Chair

Councillors:

C. Elsbury, R.W. Gough, L. Harding, G. Kirby, Ms P. Leonard, B. Owen, W. Williams,  
B. Zaplatynski

Cabinet Members:

Mrs L. Phipps (Homes, Places and Tourism), S. Morgan (Regeneration, Transport and  
Sustainability), Mrs E. Stenner (Finance, Performance and Planning)

Together with:

S. Couzens (Chief Housing Officer), R. Kyte (Head of Regeneration and Planning), L. Allen  
(Principal Group Accountant, Housing), D. Lucas (Team Leader - Strategic Planning),  
I. Mullis (Senior/Principal Planner), M. Jacques (Scrutiny Officer) R. Barrett (Committee  
Services Officer)

### **1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors J. Bevan, D. Cushing, A.G. Higgs,  
Mrs G.D. Oliver, Mrs D. Price and Mrs M.E. Sargent, together with M.S. Williams (Interim  
Corporate Director, Communities).

### **2. DECLARATIONS OF INTEREST**

Councillors L. Harding, G. Kirby and J. Ridgewell declared a personal and prejudicial  
interest in Agenda Item 8 (Housing Revenue Account Charges 2020/2021). Details are  
minuted with the respective item.

### **3. MINUTES – 26TH NOVEMBER 2019**

RESOLVED that the minutes of the Housing and Regeneration Scrutiny Committee  
meeting held on 26th November 2019 (minute nos. 1 - 10) be approved as a correct  
record and signed by the Chair.

**4. MINUTES – 5TH DECEMBER 2019**

RESOLVED that the minutes of the Special Housing and Regeneration Scrutiny Committee meeting held on 5th December 2019 (minute nos. 1 - 3) be approved as a correct record and signed by the Chair.

**5. CALL-IN PROCEDURE**

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

**6. HOUSING AND REGENERATION SCRUTINY COMMITTEE FORWARD WORK PROGRAMME**

Mark Jacques (Scrutiny Officer) presented the report, which outlined details of the Housing and Regeneration Scrutiny Committee Forward Work Programme (FWP) for the period January 2020 to July 2020, and included all reports that were identified at the Scrutiny Committee meeting on 26th November 2019.

Members were referred to the workshop held prior to the main meeting to consider and prioritise items for the Forward Work Programme for the coming year. An updated FWP will be drafted from the discussions at the workshop and brought to the next meeting of the Housing and Regeneration Scrutiny Committee for approval.

Members noted the update from the Scrutiny Officer and unanimously agreed that the Forward Work Programme as appended to the meeting papers 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. HOUSING REVENUE ACCOUNT CHARGES 2020/2021**

Councillor J. Ridgewell declared a personal and prejudicial interest as his mother-in-law is a council tenant, and left the meeting during consideration of the item. Councillor Mrs C. Forehead took the Chair for this item.

Councillor L. Harding declared a personal and prejudicial interest as his brother is a council tenant, and left the meeting during consideration of the item.

Councillor G. Kirby declared a personal and prejudicial interest as his mother-in-law is a council tenant, and left the meeting during consideration of the item.

The Cabinet Member for Homes, Places and Tourism presented the report, which provided

details of the proposed increased charges which predominantly focus on council house rents which are intended to be effective for the Housing Revenue Account (HRA) for the 2020/2021 financial year. The report sought the views of Members on the proposed increases contained therein, prior to being reported to Cabinet on 12th February 2020.

Members noted the process involved in preparing the Housing Revenue Account (HRA) budget and were advised that in previous years the Welsh Government determined the annual guideline rent increases. The standard uplift policy for Local Authorities used to be based on the previous September Retail Price Index (RPI) plus a 2% real increase in support of rent convergence. The Minister for Housing and Regeneration changed this uplift policy as part of the new Policy for Social Housing Rents in April 2015, which was accepted by Members in the 2015/16 HRA charges report. The policy set a target rent band for each Authority and if the average weekly rent is below the target rent, the Authority will have to increase average rents, and if the average weekly rent is above the target rent, average rents will increase at a lower rate, to bring the rent back within the target envelope.

However, in April 2019 the Affordable Housing Supply Review was published which recommended that the Welsh Government should implement a five year rent policy from 2020-21, and that landlords should focus on Value for Money alongside affordability.

In light of this review the Minister for Housing and Local Government has published the 2020/21 Rent Policy, which has established an annual uplift of up to Consumer Price Index (CPI)+1% each year for 5 years from 2020-21 to 2024-25 using the level of CPI from the previous September each year and would be the maximum increase allowable. As an intrinsic part of the 5 year policy, landlords will be expected to set a rent and service charge policy which ensures that social housing remains affordable, and should make an annual assessment of cost efficiencies, value for money and affordability for tenants.

It was noted that as the previous September's CPI inflation figure was 1.7%, the policy allowed a maximum increase of 2.7% increase on the Council's total rental income. However, the Business Plan had assumed a rent increase of 3% for 2020/21 to 2024/25. Members were therefore asked to recommend to Cabinet the level of increase per property from April 2020 based on the options in the report (2.7%, 1.7% or no increase), and were also asked to support the undertaking of an exercise to consider tenant affordability when setting future rent increases.

During the course of the ensuing debate, discussion took place regarding the proposed levels of rent increase outlined in section 3.1 of the report. A Member queried how rents could be set before the affordability exercise with tenants had taken place. Officers explained that as local authorities had only been made aware of the outcome of the Rent Policy in the latter stages of 2019, it left limited time for a full affordability exercise but that such consultation was planned for the future and that the results of the exercise will be reported to the Scrutiny Committee when available.

A Member queried the assistance available to tenants who struggle to afford their rent. Officers outlined the role of Tenant Support Officers who help people in arrears, and gave examples of the work carried out with tenants, such as debt management advice and energy efficiency measures. Members were also reminded that the maximum proposed increase is less than previous years in order to maximise affordability to tenants.

Discussion turned to the impact of the reduction of income by £1m assumed within the Council's business plan for the 2.7% rent increase option. Officers explained that the Authority is looking at different ways of delivering services and reducing costs in order to

absorb this loss of income. In addition, the late re-profiling of WHQS external works has allowed a carry-over of expenditure to offset this reduction in income, together with a reduction in associated borrowing costs.

A Member referred to the need to decarbonise existing housing stock that was identified in the report, and Officers outlined the options already being explored in this area, such as loft upgrades, external wall insulation, and energy efficient products. The Council are also looking into grant funding opportunities to facilitate these improvements. A Member referred to the use of solar panels and Officers explained that these had been installed in some properties with limited success and that newer methods of energy generation are constantly emerging.

Having considered the options set out in the report, it was moved and seconded that Option (i) (the 2.7% increase comprising CPI plus 1%) be recommended to Cabinet and that the affordability exercise proposed in the report be supported. By a show of hands this was unanimously agreed. It was therefore

RECOMMENDED to Cabinet that:-

- (i) the maximum increase of 2.7% per property allowed under the rent policy, which will set rents just within the low end of the policy rent band but will reduce income by £1m to that assumed within the Council's business plan, be applied from April 2020;
- (ii) an exercise be undertaken so that tenants affordability can be considered when setting future rent increases in accordance with the rent policy.

## **9. DRAFT HEADS OF THE VALLEYS MASTERPLAN**

The Cabinet Member for Regeneration, Transport and Sustainability presented the report, which provided details of the Draft Heads of the Valleys Masterplan. The views of the Scrutiny Committee were sought on its contents, ahead of its presentation to Cabinet on 12th February 2020 for endorsement of the Masterplan as the basis for a public consultation exercise commencing 17th February 2020 until 30th March 2020.

Members were reminded of the £1.2billion investment available through the City Deal and the Cardiff Capital Region Investment Fund to support the region's economic growth, which will be used to take forward a wide range of projects and schemes that contribute toward economic growth. Allied to this is the commitment from the Ministerial Taskforce for the South Wales Valleys, detailed in the publication of the 'Our Valleys, Our Future' document, which sets out strategic priorities for the region and which is supported by £100 million of Welsh Government investment over 10 years.

The County Borough's regeneration strategy 'A Foundation for Success' was approved in July 2018 and provides the strategic framework for regeneration activity over the next five years. Masterplans for Caerphilly Basin and Ystrad Mynach, the first two in a suite of five masterplans designed to complement 'A Foundation for Success', were approved by the Council in July 2018 and April 2019 respectively, and provide more detailed proposals for the regeneration and revitalisation of their respective areas.

A third Masterplan has now been drafted for the Heads of the Valley area, a copy of which was appended to the report. This document has been prepared following a number of engagement events and focuses on the northern part of the county borough, which

stretches from Bargoed to Rhymney and incorporates the Upper Rhymney and Sirhowy Valleys. Key to the Masterplan are a number of economic aspirations and strategic priorities which will have the potential to make a positive impact in terms of addressing the challenges of social and economic deprivation that are faced in the Heads of the Valley. The Masterplan will capitalise upon investment along the A465 corridor and Phase 2 of the South Wales Metro to create a strategic presence to the north of the county borough, strengthen employment and businesses opportunities and improve connectivity, whilst developing its role as a visitor and tourism destination and promoting accessibility to commercial, leisure and community services.

The Scrutiny Committee discussed the report and a Member outlined concerns regarding the lack of timescales within the draft Masterplan, and the consequences if estimated targets are not met. Officers explained that the Regeneration Project Board monitors progress on a 6-monthly basis, but that it is difficult to include definite timescales within a draft Masterplan as certain proposals are dependent on attracting further funding.

One Member raised the issue of land ownership and investment at Markham Colliery in Argoed, which had been previously identified as a potential site for a country park, and raised questions around Welsh Government funding. Officers advised that some work had been undertaken to explore potential usage of the site and that it would be beneficial in terms of future development if funding could be secured afresh.

Discussion ensued on A465 dualling and initiatives to encourage those drivers travelling across the Heads of the Valleys to visit the northern part of the County Borough. The issue of limited bus services was also highlighted as an area of importance. Officers advised that whilst the South Wales Metro programme focussed initially on rail, under what was called "Metro Plus", there is the potential for bus services to be added to the overall scheme and add Active Travel Routes.

One Member asked if there was too much emphasis on cycle tracks in the draft Masterplan. Officers explained that there is a need to develop sustainable transport and local connectivity and that new cycle tracks would attract more cyclists, which would have benefits in terms of tourism and helping to meet the Council's well-being objectives on improving health. Another Member suggested that too much emphasis was placed on rail and that connectivity has to be improved away from the two railway stations in the Masterplan area, otherwise travellers could become dependent on using cars and it would then be problematic to get them to transfer to other forms of transport. Officers outlined the importance of promoting sustainable transport and gave an example of how a neighbouring Authority is reduce parking spaces in an attempt to discourage travellers from using cars. Officers advised that in the future such measures aimed at reducing the use of cars would be more commonplace.

In response to a query from the Scrutiny Committee, Officers gave an overview of WG's Foundational Economy Challenge Fund, which has £3m available and offers funding support to organisations and businesses to introduce innovative ways of working. It was explained that Caerphilly Council recently facilitated an event to encourage local representatives from the private sector to generate unique ideas, which could then be put to the judging panel for the Challenge Fund as projects for consideration. Members were advised that out of the ideas submitted from across Wales, 16 were selected by WG for progression, including three ideas from Caerphilly County Borough Council.

Following discussion of the report, it was moved and seconded that the following recommendations be forwarded to Cabinet for approval. By a show of hands, this was unanimously agreed.

RECOMMENDED to Cabinet that:-

- (i) The Draft Heads of the Valleys Masterplan be endorsed for public consultation;
- (ii) The Draft Masterplan be the subject of public consultation commencing on 17th February 2020 and concluding on 30th March 2020.

The meeting closed at 6.32 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 17th September 2020, they were signed by the Chair.

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CHAIR