



## HOUSING AND REGENERATION SCRUTINY COMMITTEE

### MINUTES OF THE MULTI-LOCATIONAL MEETING HELD AT PENALLTA HOUSE AND VIA MICROSOFT TEAMS ON TUESDAY, 29<sup>TH</sup> NOVEMBER 2022 AT 5.30 P.M.

#### PRESENT:

Councillor A. Whitcombe – Chair  
Councillor P. Cook – Vice Chair

#### Councillors:

D. Cushing, G. Ead, C. Forehead, A. Hussey, L. Jeremiah, C. Mann, A. McConnell, L. Phipps, Mrs D. Price, J. A. Pritchard, S. Williams, W. Williams and J. Winslade.

#### Cabinet Member:

Councillor S. Cook (Housing).

#### Together with:

N. Taylor-Williams (Head of Housing), M. Jennings (Principal Housing Strategy Officer), L. Allen (Principal Group Accountant - Housing), S. Isaacs (Rents Manager), C. Forbes-Thompson (Scrutiny Manager) and S. Hughes (Committee Services Officer).

## RECORDING ARRANGEMENTS

The Chair reminded those present that the meeting would be live-streamed and a recording made available to view via the Council's website, except for discussions involving confidential or exempt items - [Click here to view](#). The Committee was advised that voting on decisions would be taken via Microsoft Forms.

### 1. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor B. Owen.

### 2. DECLARATIONS OF INTEREST

Councillor A. McConnell declared a personal and prejudicial interest in relation to Agenda Item No. 8 – Housing Revenue Account Charges 2023/2024, as a Council tenant, and left the meeting during consideration of this item. Details are also minuted with the respective item.

### **3. MINUTES – 9<sup>TH</sup> JUNE 2022**

The Chair addressed the Scrutiny Committee to provide clarification as to why the previous two Housing and Regeneration Scrutiny Committee meetings were cancelled.

It was moved and seconded that the minutes of the special meeting held on 9<sup>th</sup> June 2022 be approved as a correct record. By way of Microsoft Forms this was agreed by the majority present.

RESOLVED that the minutes of the special Housing and Regeneration Scrutiny Committee meeting held on 9<sup>th</sup> June 2022 (minute nos. 1 - 5) be approved as a correct record and signed by the Chair.

### **4. MINUTES – 21<sup>ST</sup> JUNE 2022**

It was moved and seconded that the minutes of the meeting held on 21<sup>st</sup> June 2022 be approved as a correct record. By way of Microsoft Forms this was agreed by the majority present.

RESOLVED that the minutes of the Housing and Regeneration Scrutiny Committee meeting held on 21<sup>st</sup> June 2022 (minute nos. 1 - 7) 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**

The Scrutiny Manager presented the report which outlined details of the Housing and Regeneration Scrutiny Committee Forward Work Programme for the period November 2022 to March 2023 and included all reports that were identified at the Housing and Regeneration Scrutiny Committee meeting held on 21<sup>st</sup> June 2022. Members were asked to consider the Forward Work Programme, alongside the Cabinet Forward Work Programme, prior to publication on the Council's website.

A request was made for a report on factory built housing and modern methods of construction.

Following consideration of the Housing and Regeneration Scrutiny Committee Forward Work Programme, and subject to the additional report proposed, it was moved and seconded that the recommendations in the report be approved. By way of Microsoft Forms (and in noting there were 13 votes for, 0 votes against and 0 abstentions) this was unanimously agreed.

RESOLVED that the Housing and Regeneration Scrutiny Committee Forward Work Programme be published on the Councils' 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 - 2023/2024**

Councillor A. McConnell declared a personal and prejudicial interest, as a Council tenant, and left the meeting during consideration of this item.

The Cabinet Member for Housing presented the report for Members to consider and take a view on the increased council housing rent charges proposed in the report, prior to consideration by Cabinet on 14<sup>th</sup> December 2022. Members were informed that the charges predominantly focused on council house rents, but also included garages, and are intended to be effective for the Housing Revenue Account (HRA) for the 2023/2024 financial year.

A Member commented on the proposed 6.5% property rent increase which would increase the current average rent by £6.10 per week from £93.80 to £99.90 per week over 52 weeks and highlighted a number of points regarding affordability, particularly in relation to the percentage of tenants receiving financial assistance towards their rent and those in receipt of state pension. The Member felt that, on balance, this was an affordable increase and therefore supported the recommendation.

The Scrutiny Committee commented on the importance of building new Council homes. This was supported by the Cabinet Member for Housing who acknowledged the need to not only build new Council homes, but to also maintain them. The Cabinet Member for Housing further commented on the increased level of inflation and the need to ensure tenants are supported.

A Member asked how inflation has impacted the Housing Revenue Account and was advised that inflation rates have caused a sharp increase in costs such as materials and fuel. The Head of Housing explained that the proposed rent increase of 6.5%, which is the maximum permitted by Welsh Government, is well below inflation so the Council will still need to borrow £10m, and service that debt, to remain even and to continue business as usual. It was further explained that if rent is not increased by 6.5%, more money would have to be borrowed. In response to a Members question, the Committee was advised that all local authorities borrow through the Public Works Loan Board. This offers preferential rates in terms of borrowing, which is currently around 1.3% but is projected to significantly increase in the coming weeks and months.

Further information and clarification were sought on garages available for rent. The Head of Housing confirmed that the majority of garages are rented by non-council tenants. The Committee was informed that Officers are looking into a strategy about what could be done with some of the vacant garages, as some have been put out to market with limited success. The Head of Housing suggested that alternative development opportunities could be looked at where they are not attractive to residents.

In response to a Member's query, an explanation was provided on the difference between the Housing Revenue Account budget and the Council budget. The Head of Housing

explained that the Housing Revenue Account is a ring-fenced account funded mainly from rental income and it cannot be used for anything other than affordable housing. The purpose is set out in the Housing Strategy and Business Plan and cannot be used across any other Council services.

It was noted that Caerphilly County Borough Council is ranked the lowest Local Authority in Wales in terms of local authority rent and a request was made for figures on any of the neighbouring authorities. In response, the Cabinet Member for Housing informed the Committee that the latest statistics can be obtained from Data Stat Wales.

The Scrutiny Committee sought clarification on a recent e-mail sent to all Councillors regarding Welsh Water payments. The Rents Manager confirmed that as from April 2023 water rates will not be paid as part of the tenants rent. Welsh Water will contact tenants directly to arrange payment methods.

Following consideration of the report it was moved and seconded that the recommendations be approved. By way of Microsoft Forms (and in noting there were 11 votes for, 0 votes against and 2 abstentions) this was agreed by the majority present.

RECOMMENDED to Cabinet that: -

- (i) Rent is increased per property to the maximum permitted as per the WG rent policy which is 6.5%. This would increase the current average rent by £6.10 per week from £93.80 to £99.90 per week over 52 weeks.
- (ii) The level of rent for garages from April 2023 be increased by 5.5% to £8.85 per week.

## **9. LOW COST HOME OWNERSHIP POLICY**

The Cabinet Member for Housing presented the report which sought the views of Members prior to the presentation of the Low Cost Home Ownership (LCHO) Policy to Cabinet on 14<sup>th</sup> December 2022. The Scrutiny Committee was informed that data from the Office of National Statistics shows that the cost of owning a home is becoming increasingly more expensive, with house price inflation outstripping growth in income. This policy will help people who are unable to afford to purchase 100% of a property on the open market and help to reduce the numbers of people currently on the common housing register.

In response to a Members query, clarification was provided on a number of points in relation to shared equity and shared ownership. It was explained that originally the policy was based on a shared equity approach only, which at the time of development met Welsh Government's criteria for accessing social housing grants. However, changes to Welsh Government funding criteria means that shared equity is no longer eligible for grant funding. Following a review of the consultation responses and recognising that shared ownership still attracts Welsh Government grant funding, a decision was taken by the Head of Housing to expand the range of products in the LCHO policy to include shared ownership. It was further explained that both the shared equity and shared ownership options will be considered when looking at the development programme as the shared equity option might work better for certain sites being brought forward. The Head of Housing provided clarification on the older persons shared ownership option. A Member raised concerns in that once the homebuyer purchases 75% of their home, no rent is payable on the remaining share.

A Member drew particular attention to the report which stated that the policy will help to reduce the numbers of people currently on the common housing register and it was asked if

this would be the case if the properties were for rent rather than shared ownership. The Head of Housing explained the need to utilise as many options as possible to address those that are on the register, including those that are way down the priority order and have been on the register for some time. It was commented that people who are on a lower banding on register may have a bit more disposable income. A share in a property would allow them to move off the register and into some form of ownership and then potentially staircase through to full ownership.

In response to a further query the Head of Housing advised the Committee that the policy contains criteria governing the resale of a property. Homebuyers will be required to initially offer the property to the Council before placing it on the open market. The Council will have 28 calendar days to formally respond to this offer. Where the Council declines the offer to purchase the property or fails to respond with the prescribed timescale, the homeowner may sell the property on the open market without restriction.

RESOLVED that the Housing and Regeneration Scrutiny Committee noted the contents of the report and any amendments or clarifications raised by Members be incorporated into the report prior to presentation to Cabinet.

The meeting closed at 6.09 pm.

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 31<sup>st</sup> January 2023, they were signed by the Chair.

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CHAIR