



## **CABINET**

### **MINUTES OF THE MULTI-LOCATIONAL MEETING HELD AT PENALLTA HOUSE AND VIA MICROSOFT TEAMS ON WEDNESDAY 8<sup>TH</sup> MARCH 2023 AT 1PM**

#### **PRESENT:**

Councillor S. Morgan – Chair

#### **Councillors:**

J. Pritchard (Cabinet Member for Prosperity, Regeneration and Climate Change), S. Cook (Cabinet Member for Housing), N. George (Cabinet Member for Corporate Services and Property), E. Forehead (Cabinet Member for Social Care), P. Leonard (Cabinet Member for Planning and Public Protection), C. Morgan (Cabinet Member for Waste, Leisure and Green Spaces) and E. Stenner (Cabinet Member for Finance and Performance).

#### **Together with:**

C. Harry (Chief Executive), D. Street (Corporate Director Social Services and Housing), M.S. Williams (Corporate Director Economy and Environment)

#### **Also in Attendance:**

S. Harris (Head of Financial Services and S151 Officer), R. Tranter (Head of Legal Services and Monitoring Officer), N. Taylor-Williams (Head of Housing), H. Lancaster (Transformation Manager – Engagement), S. Richards, (Head of Education Planning and Strategy), A. Dallimore (Regeneration Services Manager), H. Munro (Caerphilly Place-Making Programme Manager), C. Davies (Private Sector Housing Manager), K. Watkins (Communication and Tenant Engagement Officer), L. Allen (Principal Group Accountant), R. Evans-McLean (Principal Housing Officer), R. Kyte (Head of Planning and Regeneration), S. Pugh (Head of Communications) E. Sullivan (Senior Committee Services Officer).

## **RECORDING AND VOTING ARRANGEMENTS**

The Leader reminded those present that the meeting was being live streamed, and a recording would be made available to view via the Council's website, except for discussions involving confidential or exempt items. [Click Here To View](#).

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

Apologies for absence were received from Councillor J. Simmonds and C. Andrews and R. Edmunds (Corporate Director for Education and Corporate Services).

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

There were no declarations of interest received.

### **3. MINUTES – 22<sup>nd</sup> FEBRUARY 2023**

RESOLVED that the minutes of the meeting held on the 22<sup>nd</sup> February 2023 be approved as a correct record.

### **4. CABINET FORWARD WORK PROGRAMME – TO NOTE**

Cabinet was provided with the Cabinet Forward Work Programme, which detailed the scheduled reports until 26<sup>th</sup> July 2023.

Following consideration and discussion, it was moved and seconded that the Forward Work Programme be noted. By a show of hands this was unanimously agreed.

### **5. PRIVATE SECTOR EMPTY HOME STRATEGY**

Consideration was given to the report which set out the Council's commitment to prevent and tackle the high number of privately owned empty homes. The strategy had been developed in conjunction with a number of other housing strategies and policies to ensure that everyone has access to a safe, secure home in sustainable communities.

Cabinet welcomed the opportunity to bring much needed houses back into use as well as the benefits to those residents living next to empty properties. Clarification was then sought as to enforcement and unregistered properties. Officers confirmed that enforcement action would be a last resort and utilised only when all other avenues had been exhausted. In terms of non-registered properties, every option possible would be explored to identify property owners including on-line and newspaper/press notices.

Reference was made to the Empty Homes Premium and implementation timescales, Officers confirmed that the process would start later this year.

Cabinet acknowledged the positive reaction to the consultation process, placed on record their thanks to Officers for their hard work and welcomed the positive impact that the strategy would have in terms of the housing supply and homelessness, by bringing much needed neglected properties back into use.

Following consideration and discussion, it was moved and seconded that the recommendations contained in the Officer's report be approved and by way of Microsoft Forms this was unanimously agreed.

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

1. The comments of the Housing and Regeneration Scrutiny Committee be noted.
2. The 2023/24 Housing Business Plan and its submission to WG by the 31<sup>st</sup> March 2023 be considered and approved.
3. The submission of this report to Council to request an extension of the HRA borrowing cap to £100m as a result of higher than anticipated inflation to maintain services and to progress with the new build programme be approved.

A provisional date for Council has been set for 23<sup>rd</sup> May 2023.

## **6. HOUSING REVENUE ACCOUNT BUSINESS PLAN 2023/24**

Cabinet noted that the report had been considered by the Housing and Regeneration Scrutiny Committee on the 27<sup>th</sup> February 2023.

Consideration was given to the report which presented Cabinet with the Housing Revenue Account (HRA) Business Plan 2023/24 and also sought Cabinet's recommendation to Council for an extension to HRA borrowing cap to £100m as a result of higher than anticipated levels of inflation.

Cabinet noted that the HRA Business Plan must be submitted annually to Welsh Government as part of the Major Repair Allowance (MRA) funding grant submission. The Business Plan is a long-term 30-year plan of the authority's assets and financing the necessary investments and is essentially a financial forecast and a key element in ensuring the effective long term management and maintenance of the Council's housing stock.

Clarification was sought as to the impact of inflation rates on the Housing Revenue Account and Officers confirmed that it had a massive impact on every aspect of the HRA not only in terms of material and labour costs there was also on rent revenue, landlord functions and housing stock. There was also the impact in terms of delivering the decarbonisation strategy, affordable warmth, and new build agenda. In terms of WHQS and the 2023 standards, Officers confirmed that they were waiting for further information from Welsh Government.

Cabinet placed on record their thanks to Officers for all the work involved in producing the Business Plan and the work of both Nick Taylor-Williams and Lesley Allen were formally acknowledged.

Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved and by way of Microsoft Forms this was unanimously agreed.

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

1. The comments of the Housing and Regeneration Scrutiny Committee be noted.
2. The 2023/24 Housing Business Plan and its submission to WG by the 31st March 2023 be considered and approved.
3. RECOMMENDED to Council that the request for an extension of the HRA borrowing cap to £100m as a result of higher than anticipated inflation to maintain services and to progress with the new build programme be approved.

## **7. FUTURE OF CAERPHILLY HOMES TASK GROUP**

Cabinet noted that the report had been considered by the Housing and Regeneration Scrutiny Committee on the 27<sup>th</sup> February 2023

Consideration was given to the report which sought Cabinet agreement on the future of the Caerphilly Homes Task Group (CHTG) due to the completion of the Welsh Housing Quality Standards (WHQS) Programme.

Cabinet placed on record their thanks to all the Tenant Representatives that sat on the Task Group for all their hard work and much valued contributions.

Given the strong representation from tenants on the Group, Members queried how tenant engagement would be maintained going forward. Officers confirmed that they would be exploring and reviewing engagement options on a more of an ongoing conversation basis. Officers would be utilising all forms of engagement and communication not just digital platforms on order to reach even those who tended not to engage.

Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved and by way of Microsoft Forms this was unanimously agreed.

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

1. The comments of the Housing and Regeneration Scrutiny Committee be noted.
2. The discontinuation of CHTG, for the reasons stated within the report. A special meeting was held in July 22 with the Repairs & Improvement Group and tenant members of CHTG following the completion of the WHQS programme to review the achievements and challenges, whilst also celebrating its successful conclusion be approved.
3. The CHTG for the contribution it has made towards achieving the Welsh Housing Quality Standard be commended.
4. The various existing and potential new methods to be explored by Caerphilly Homes for engagement with tenant/contract holders now and in the future. The proposals for effective and meaningful engagement will enable more tenants/contract holders to have an opportunity to express views and be consulted on the future direction of Caerphilly Homes be acknowledged and approved.

## **8. PARTICIPATION STRATEGY 2023-2027**

Consideration was given to the report which presented Cabinet with the Participation Strategy 2023-2027, the strategy sets out the ways in which local people are encouraged to participate in Council decision making.

Cabinet noted that there were several duties placed on local authorities in terms of participation as detailed in Section 2.2 of the Officer's report. Officers confirmed that the Council was already meeting its duties under the Act, however the strategy reaffirms its commitment to listening, conversing with and responding to the needs of its communities. Building clear, shared expectations and two-way engagement and clearly demonstrating how the participation duty is being fulfilled.

Members noted the new and additional engagement mechanism that would be used including the retention of face-to-face interaction and the importance of 'close loop' engagement was emphasised where residents who do take the time to get involved can see how this has paid off by seeing improvements generated as a result.

The importance of early phase, open and transparent engagement in terms of policy shaping and development was discussed, and Members felt that it would be beneficial to highlight the 600 plus services provided by the Council. Officers outlined a cyclical communications campaign 'What has the Council ever done for you' which had been well received.

Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved and by way of Microsoft Forms this was unanimously agreed.

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

1. Cabinet commented on the principles and objectives as outlined in the draft Participation Strategy 2023-2027.
2. That further community engagement through the council's ongoing engagement programme 'The Caerphilly Conversation' continues to help shape the strategy's delivery, evolving over time as the benefit of new conversations and national best practice become evident.

## **9. PROPOSED VOLUNTARY TERMINATION OF CAERPHILLY CBC SCHOOL PFI CONTRACT**

Cabinet noted that the report had been considered by the Joint Scrutiny Committee (Education and Policy and Resources Scrutiny Committees) on the 28<sup>th</sup> February 2023.

Consideration was given to the report that sought Cabinet's endorsement of the proposal to voluntarily terminate the Caerphilly CBC Schools PFI Contract.

Cabinet noted that over a number of years the Council has sought to achieve savings from the School PFI contract to ensure value for money services are being provided to schools and to minimise affordability implications. Options including increasing the contract management, reviewing the services provided to identify and implement savings, using mechanisms in the contract such as benchmarking have been considered to reduce costs. However, despite the funding support from Welsh Government there continues to be a significant affordability gap between the Council's normal school funding levels and the payments made to the Contractor. As such, a business case has been prepared setting out details of a proposal to voluntarily terminate the School PFI Contract.

Cabinet noted that the report had been considered by the Joint Scrutiny Committee (Policy and Resources Scrutiny Committee and Education Scrutiny Committee) on 28 February 2023.

The Cabinet Member for Finance and Performance brought to Cabinet's attention the letter from the Governing Body of Ysgol Gyfun Cwm Rhymni, which had been received at 10.30am that morning and had been shared with the Cabinet just prior to the commencement of the meeting.

The letter expressed the concerns of the Governing Body as to the pace with which the consultation process had been undertaken and which they felt would have been more beneficial if more time had been available for the consideration of the process. The letter highlighted concerns that some factors of the business case lacked detail and ultimately, they felt would be to the detriment of the pupil experience, particularly because of the 'ending of life cycle' arrangements. The Governing Body also expressed concern that they had not seen the full PFI agreement and contract and that the school would not receive adequate support going forward.

Cabinet sought clarification in relation to the consultation process and the possible impact on pupils. It was confirmed that Officers had met with both of the PFI schools in mid-January to confirm the timescales and to provide details of the proposal. Extracts of the business case were made available in the form of a briefing note, but due to commercial sensitivities it was not possible to share the full business case. The Officer responding confirmed that as this was a purely contractual arrangement, there were clear contractual processes which had to be followed.

Cabinet was advised that should the Chair of Governors wish to see the full details of the business case then Officers would be more than happy for him to visit Penallta House and

view it confidentially, but no copies could be made available due to the commercially sensitive nature of some of the content.

Officers also advised that it was not possible to release the PFI contract as following a recent Freedom of Information request this had been refused by the provider on the basis that putting the PFI contract into the public domain could affect their commercial interests. Reassurances were given that the change would make no difference to the way in which education would be delivered to the children in these schools.

In response, an example was given in relation to Ysgol Gyfun Cwm Rhymni where the school covers 2 sites, Y Gwindy and Gellihaf. Y Gwindy is currently managed as a non PFI School, the Gellihaf site as PFI. and if the proposal was progressed it would see both sites managed in exactly the same way. Cabinet were reassured that if the voluntary termination progresses, then the schools would be fully supported throughout the process to ensure a smooth transition.

The Head of Financial Services and Section 151 Officer provided clarification in relation to the life cycle costs and advised that under the PFI contact the two schools had enjoyed additional investment in terms of life cycle over a number of years but that this had come at a significant cost. Moving forward, if the termination does take place, the 2 PFI schools would be treated the same as all the other schools in the county borough in terms of capital investment.

Clarification was then sought by Cabinet as to whether potential savings could be ring-fenced for Education. The Head of Financial Services and Section 151 Officer confirmed that this was discussed at the Joint Scrutiny Committee meeting and would be the subject of a further report at the end of the process. The report would confirm the final compensation sum that was paid, the actual level of savings arising, and would also outline options in terms of utilising the savings. It was noted that this report would not only be presented to the Joint Scrutiny Committee but also to Cabinet and Council.

In relation to potential slippage in the timeline for the termination process it was confirmed that the business case is based on an assumed termination date of 31 July 2023. It was stressed that it is important that a decision to proceed is confirmed as the voluntary termination process is very complex and there is potential for delays. The business case recognises the potential for delays post approval and that the termination could happen at a later date without materially impacting on value for money, with October half term 2023 or Christmas 2023 being alternate options. It was reaffirmed that the schools will be fully supported throughout the process.

Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved and by way of Microsoft Forms this was unanimously agreed.

RECOMMENDED that Council consider and endorse the proposal to voluntarily terminate the Caerphilly CBC Schools PFI Contract.

## **10. PUBLIC INTEREST TEST**

Members considered the Public Interest Test and concluded that on balance the public interest in maintaining the exemption outweighed the public interest in disclosing the information and it was: -

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

## 11. CAERPHILLY TOWN 2035 – PARK LANE MARKET DEVELOPMENT

Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved and by way of Microsoft Forms this was unanimously agreed.

RESOLVED that for the reasons contained in the Officers report recommendations 3.1 (i), (ii), (iii), (iv) be approved.

The meeting closed at 14.10 p.m.

Approved and signed as a correct record subject to any corrections made at the meeting held on 22nd March 2023

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CHAIR