



HOUSING AND ENVIRONMENT SCRUTINY COMMITTEE

MINUTES OF THE MULTI-LOCATIONAL MEETING HELD IN PENALLTA HOUSE AND VIA MICROSOFT TEAMS ON TUESDAY, 26TH MARCH 2024 AT 5.30 P.M.

PRESENT:

Councillor A. Whitcombe – Chair
Councillor S. Williams – Vice Chair

Councillors:

M. Chacon-Dawson, R. Chapman, C. Cuss, D. T. Davies, T. Heron, A. Hussey, D. Ingram-Jones, M. James, A. McConnell, B. Owen, L. Phipps, H. Pritchard, J. A Pritchard, J. Rao.

Cabinet Members:

Councillors, S. Cook (Housing) and P. Leonard (Planning and Public Protection).

Together with:

Officers J. Roberts-Waite (Head of Strategy and Development), C. Boardman (Development Manager), S. Wilcox (Programme Development Manager), F. Wilkins (Housing Services Manager), L. Allen (Principal Group Accountant – Housing), C. Forbes-Thompson (Scrutiny Manager) and A. Jones (Committee Services Officer).

RECORDING, FILMING AND VOTING ARRANGEMENTS

The Chair reminded those present that the meeting was being live-streamed and recorded and would be made available following the meeting via the Council's website – [Click Here to View](#) Members were advised that voting on decisions would be taken via Microsoft Forms.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors C. Bishop and D. Cushing.

2. DECLARATIONS OF INTEREST

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

3. HOUSING AND ENVIRONMENT SCRUTINY COMMITTEE HELD ON 13TH FEBRUARY 2024

It was moved and seconded that the minutes be approved as a correct record. By way of Microsoft Forms and verbal vote (and in noting there were 14 for, 0 against and 1

Abstention) this was agreed by the majority present.

RESOLVED that the minutes of the Housing and Environment Scrutiny Committee held on 13th February 2024 (minute nos. 1 – 7) be approved as a correct record.

4. CALL-IN PROCEDURE

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

5. HOUSING AND ENVIRONMENT SCRUTINY COMMITTEE FORWARD WORK PROGRAMME

Cath Forbes-Thompson (Scrutiny Manager) presented the report, which outlined details of the Housing and Environment Scrutiny Committee Forward Work Programme (FWP) for the period March 2024 to March 2025.

Members were asked to consider the FWP alongside the Cabinet work programme and suggest any changes prior to publication on the Council's website.

It was moved and seconded that the report recommendation be approved. By way of Microsoft Forms and verbal vote (and in noting there were 14 for, 0 against and 0 abstentions) this was unanimously agreed.

RESOLVED that the Forward Work Programme as appended to the meeting papers be published on the Council's website.

6. CABINET REPORTS

It was confirmed that there had been no requests for any of the Cabinet reports listed on the agenda to be brought forward for discussion at the meeting.

REPORTS OF OFFICERS

Consideration was given to the following reports which were taken in the following order.

7. CAERPHILLY HOMES PRESENTATION

A Presentation was given to the Housing and Environment Scrutiny Committee by the Head of Strategy and Development Manager and the Development Manager on the Modern Methods of Construction (MMC) and Building Regulations 2023. Members were advised that this was following a request from a Member of the Scrutiny Committee last year where the Caerphilly Homes Development and Governance Strategy had been presented and discussed. The Strategy was subsequently approved by Cabinet in September 2023 and set out the Council's ambitions in respect of its development program. It noted the use of MMC as a construction method and the Building Regulations 2023 as a minimum standard that all Caerphilly homes are to be built to.

The presentation focused on the key aspects of both construction requirements and fully explained what the techniques of MMC are compared to traditional buildings. Members were shown images of MMC Constructed units, and the components of the panels were explained and how the installation of the completed unit would be carried out. Members

were informed of the benefits and challenges of using MMC and were advised that MMC Construction had been used in the pilot sites in Trethomas and Trecenydd and it is proposed to use the same construction on the Oakdale and Ty Darren Schemes in terms of the TACP Sites (Transitional Accommodation Capital Program using the 3D Modular construction for those sites based on speed, delivery, and net zero carbon

A Member queried whether the timber frames for the new houses were being manufactured by us or was this work being sourced in from external companies. Members were informed that the homes being built on site at Ty Darren in Risca, the flagship later living scheme, will be built using a lightweight steel frame which is sourced from a company that is located on Penallta Industrial Estate. This reduces the carbon footprint by sourcing local materials and the manufacturer has committed to increase the number of local people they will employ. It was confirmed that we are looking at using a variety of different materials and there will be a range of homes with both steel and timber construction.

The Member asked why we are not building these ourselves and training people within the authority to retain the profit in house instead of handing the profit to external providers. Members were advised that this was considered at the start of the development program but in addition to this program the Council has the WHQS 23. This would mean the workforce will be focusing on delivering the WHQS 23. There is a also a shortfall of skills, lack of resources and capacity in-house to also deliver a new build program.

A Member enquired as to what research was available on the sustainability of these houses. Members were advised that there was a large amount of research going on in terms of the sustainability of these types of units. There are several kinds of modular home providers who deliver net zero carbon products, which is the optimum from a sustainability perspective. The next step would look at embodied carbon and what materials are going into the units, and it was agreed that the research can be shared with Members. The scrutiny committee were advised that the sustainability of the environment is a priority and ensuring that we deliver betterment and net biodiversity gain, which is a policy requirement in England but not in Wales., The Authority is keen to do this for the carbon offset and the sequester carbon, as well as building homes, which are energy efficient as possible. This will reduce the energy bills for future residents and reduce the impact on the environment. We are also aiming to meet as many environmental targets as possible with our development program.

Clarification was sought on how monitoring of the energy use would be carried out and Members requested confirmation as to whether any monitoring had been undertaken on the properties in Trecenydd. It was confirmed that Welsh Government appointed the contractor to install and monitor the equipment on the flats in Trecenydd. A report and presentation was given to Officers last week which confirmed that out of the 12 flats only 8 of the flats are working and recording of the usage, the data was disappointing as statistically it is not enough data to be able to make comparisons. The installer has been contacted for them to review the equipment and to ensure that measures are put in place to ensure that the equipment works as it should. Feedback from customers over a six month period has been positive and they were happy with their bills with no negative feedback. A visit to each customer is planned to undertake further exploratory questions concerning energy costs and living conditions. Members were informed that the monitoring for the developments at Ty Darren and Oakdale would be monitored by CCBC and this would be carried out via Wif-Fi.

A Member requested confirmation as to whether Stately Homes a Company in Abercarn, had been contacted as they have been constructing similar products for many years. Members were advised that this company had been contacted and dialogue with them is ongoing.

It was suggested that a site visit to one of the developments be arranged if possible and it was confirmed that this could be arranged.

The Chair thanked Officers for their report. Members noted the content of the presentation.

8. PRIVATE SECTOR HOUSING RENEWAL AND ADAPTAION POLICY

The Chair congratulated Officers on the report and invited the Cabinet Member for Housing to introduce the report.

The Cabinet Member for Housing presented the report which summarised the 2002 Regulatory Reform Order which requires local authorities to produce and implement deliverable Private Sector Housing Renewal Policies. A review of the current 2014 policy is required, to ensure our key priorities remain relevant, and update our financial assistance products which no longer meet the needs of applicants.

Members were advised that the report highlights a number of proposals and include key priorities which change the approach to delivering financial assistance for a grant based policy to more sustainable repayable loans, and introduction of an energy crisis grant of up to £5000 to improve energy rating of homes. Continuation of Discretionary Disabled Facilities Grants (DFG's) and continuing to deliver medium adaptations by way of means tested mandatory DFG's.

It was confirmed that there was an amendment to the report at 3.8. Members of the Committee recommend Cabinet approve the assignment of £320,019 of the Private Sector Housing slippage monies referenced in 3.7 to support the delivery of the Bryn Carno targeted regeneration scheme. Confirmation of the costs for the scheme have been received and the cost of the cross tenure scheme at Bryn Carno which is part funded by Welsh Government is £1.9 million for the private sector properties and identifies a shortfall of £320,019. Whilst details of this project had been previously been taken through the scrutiny process, we were not aware of the need to commit our resources until the last few of days.

The Chair thanked the Cabinet Member and invited Members questions.

The Housing Services Manager advised that there was a typo at 8.3 the existing annual budget for private sector housing of £2.267 million. It should state £2.167 million.

A Member sought clarification on the impact the proposals would have for adults on the lowest incomes and those requiring discretionary grants. Members were advised that Welsh Government had previously recommended the removal of means testing for DFG applicants. This report recommends that we do not accept this WG recommendation as it is not considered sustainable and would have a negative impact on resources. If the means testing were to be removed there would be a significant increase in demand resulting in longer waiting times for assessments affecting all users of this service. There would be a significant impact on those on lowest incomes as they will have no alternative to a grant. .

Members were informed about the number of loan products on offer which would be based on the affordability for people to be offered what best suits their needs, this would generate a recyclable pot of monies to enable more people to be provided with help.

A Member sought assurance of the effect upon hospital discharges, as the remit has been broadened, which should be the number one priority. In addition, the member asked if there has been an assessment of how many staff would be needed to deliver these

changes and were there enough administrative resources to manage these proposals and if Care and Repair have been consulted. It was confirmed that officers work with hospital discharge staff and palliative care, and Social Services prioritise those cases. We offer minor adaptations like handrails, small ramps, key safes, and other work that enables people to return home safely. It is recommended that means tests should remain, to ensure the most vulnerable people are supported. Members were provided with the procedure that is followed to assess each case using the mandatory means tested grants and the disabled facility grants and other loan products to meet the needs of everybody.

It was confirmed a lot of products are already in place and staff would be diverted from discontinued products to manage the new products. Staffing would be reviewed over the next 12 months. It was confirmed that Care and Repair do not undertake major adaptation works for the Authority, we support them to provide some complementary adaptations and they also support hospital discharge cases. Care and Repair have been consulted in relation to this process and they were invited to comment.

A Member was concerned about the disparity between support provided for hoists through grant and the support provided to those with stairlifts which would be offered loans for repair or replacement. An amendment was moved that people requiring replacement or repairs to stairlifts should not have to pay. The Committee were advised that in relation to lifts, the report was referring to where a stairlift was installed for the first time that would be funded through grant assistance. If a replacement of an existing stairlift, that would be considered as a repair rather than an adaptation and those would need to be a loan. Hoists are done through a separate stream.

The Chair agreed that a vote would be taken on the amendment following all questions from Members.

A Member sought reassurance that there is sufficient finance available for these proposals. It was confirmed that some of the loans were funded through Welsh Government, which provided just over £2 million several years ago. Some of this was as a loan which would need to be repaid by the end of financial year 2029/30. £1 million pounds was provided through grant funds which can be retained and is recyclable. The new funding stream means that the annual allocation and slippage monies and accrued monies from previous years would be committed to building a recyclable pot.

A Member asked if since Brexit there have been increased costs of labour and materials and if that has affected the schemes that have been progressed through the previous policy. Members were advised that the impact of covid and the cost of living crisis has had a huge impact. During covid, contractors were lost through retirement or went elsewhere and have not returned. This has led to labour and material shortages, higher demand and higher costs which was the reason a moratorium was requested last year on home repair grants and conversion grants, as they were no longer viable or sustainable, with only 2 conversion grants provided in recent years. It is important the policy is reviewed now, as what has worked well in previous years is not sustainable any longer and we are finding it is no longer viable.

Clarification was sought on the Lifetime loans and the 80/20%, does it mean that applicants will have to pay 20% of the costs. It was confirmed that the lifetime loans are a Welsh Government funding project and the 80/20 refers to the equity required in the property rather than their contribution. Any registered debt such as mortgage are considered, and we ensure that they do not exceed 80% of the equity to provide security and protection for the individual. An example where a property valued at £100,000 and a mortgage of £50,000 a loan of no more than £30,000 would be offered to try to ensure that they would not go into negative equity. All individuals are advised to seek their own

independent financial advice in relation to a charge being registered against their property when receiving the loan.

The Introduction of the repayable assistance alternative products for those individuals that are not able to meet the criteria for the lifetime loans, perhaps because they already have registered charges, a full registered charge would not be registered, and a local land charge would be registered as protection for the authority.

Following consideration of the report an amendment to the recommendations was moved and seconded that:

1. 'Residents needing a replacement or repair to their stairlifts should be treated under the same financial conditions, i.e: subject to discretionary grants as residents needing stairlifts for the first time'.

By way of Microsoft Forms and Verbal votes (In noting there were 3 for, 12 against and 1 abstention) the amendment was declared lost by the majority present.

The Chair invited the Committee to vote on the recommendations within the report.

Following consideration of the report it was moved and seconded that the recommendations be approved. By way of Microsoft Forms and verbal vote (and in noting there were 12 for, 1 against and 1 abstention) this was agreed by the majority present.

RECOMMENDED to Cabinet that: -

1. The change in approach to delivering financial assistance from a mainly grant based policy to a more sustainable repayable loan based policy in relation to property and regeneration be approved.
2. Following consideration of alternative(s) to the strategic approach the Private Sector Housing Renewal and Adaptation Strategy be approved.
3. The continuation of the delivery of medium adaptations via means tested mandatory DFGs in line with statute be approved, noting that this recommendation does not comply with the formal request of the Welsh Government Minister for Housing and Local Government, Julie James of the 10.03.2021 with regards to medium adaptations.
4. The proposed policy be introduced with immediate effect, that discontinued products cease to be offered from 31st of March 2024 with new financial products introduced from 1 June 2024 to allow for implementation planning and training.
5. That applicants with active enquiries for discontinued products be given a time limited opportunity to progress applications to formal approval.
6. The introduction of targeting of the In-House Agency Service to vulnerable households and amendments to Agency fees be approved.
7. The realignment of the Private Sector Housing capital budgets £2,167,000 and associated slippage monies £6,916,280 (as at period 9 monitoring report 2023/24) to deliver the proposed Policy in agreement with the section 151 officer and Cabinet Member for Housing. The slippage money and agency income to be ringfenced for a period of 5 years to allow the effective implementation of the proposed Policy be approved.

9. HOUSING REVENUE ACCOUNT BUSINESS PLAN 2024/25

The Cabinet Member for Housing introduced the report on the Housing Revenue Account, HRA business plan 2024/25, which would be presented to Cabinet on the 3rd of April 2024 is an annual requirement from Welsh Government as part of the annual submission of the major appeals allowance grant application.

There is a key element to ensuring the effective long term management and maintenance. The Council housing stock as essentially a financial forecast, would land on key assumptions so then inflation rates, interest rates, financial costs and cost rent increases or decreases level of bad debts and voids, stock count, pay awards and financing it costs. Its thought this was a good time to report the business plan annually to members going forward.

As progress in developing our own social housing stock, it has become more important as we experience such instability within the market in terms of inflation, material cost, supply, and labour resources, which could impact significantly on a new build commitments and Welsh Governments ambitious new WHQS 23 decarbonization agenda, that is ahead of us. The actual cost is not known to its full extent and therefore is not being reflected in this year's business plan.

A Member highlighted that CCBC rent arrears are in the top quartile of the 10 local housing authorities and our rents are 5.2% lower than the All-Wales average and third lowest in Wales, but our wages are 5% higher than the Wales average, why is there this imbalance. The Member expressed concerns of the balance between spend on new build and improving housing stock, given the number of homeless people waiting for affordable housing should the priority for spend be on new builds.

Officers confirmed in relation to the arrears that following directions from Welsh Government during the pandemic and because of the implications for homelessness, we have changed our direction more to sustainability and supporting tenants to remain within and sustain their tenancies. The cost of living crisis has also had an impact and we have a high proportion of our tenants who are on Universal Credit, so we don't receive direct payments. We have expanded the role of our support teams who provide a lot of support to tenants. There have been no evictions resulting in homelessness on the basis solely of arrears, tenants are encouraged to engage and work with our support. If specialist advice and support is needed, we would divert them to the relevant places. It is acknowledged that arrears are high, and this would be managed. There is an action plan to try and increase the level of collection, prioritising the intervention and prevention of arrears, focusing on our largest arrears in those cases. The tenancy review panel has been reinstated and would be considering cases where there was a lack of engagement and an unwillingness to work with us and to consider looking at starting possession proceedings for those at the highest levels but working within the Welsh Government provision and offering support.

A comment was raised regarding the rents arrears and the members asked if the figure considers the fact that Universal Credit is paid one month in Arrears, therefore tenants in receipt of universal credit will always be in arrears. Members were advised that the percentage was based on what it was at the point in time when writing the plan. When engaging and supporting customers in relation to the arrears we are aware of the Universal Credit process and it is accepted the reality of arrears, and we have target points at which we will contact them and support them in recognition of that Universal Credit process. We also work with them, where appropriate, on agreeing an alternative payment arrangement to ensure that we get direct payments rather than relying on debt payments of housing costs.

A Member queried the Inflation figures in the report and asked if they were the best or worst case scenario and how they were calculated. The Member sought confirmation on whether we have risk assessments to consider the support needed by tenants who have poor money management or are unable to afford rent due to the cost of living crisis. Are there strategies in place to deal with those in arrears.

The Committee were advised that the report refers to the Bank of England predicted inflation would fall sharply to about 2% in the middle 2023, and inflation was about 10.7% in June 2023. Since then, it has fallen again and inflation rates in the plan reflect a steady decrease to 2% over 5 years rather than the two years as the Bank of England predicted. An extra 1% on the inflation rate has been added to cover that. In terms of the risk assessment for the Universal Credit it is not known how many will transition over because we do not have that data and we only know that there are approximately 3000 tenants who are not eligible as they are not of working age, so they would not migrate onto the new Universal Credit and there are 3360 currently on Universal Credit.

In relation to strategies in place it was confirmed that there was a strong focus on support and sustainability and there was a dedicated welfare benefits advice team and cost of living support team in addition to the tenancy support officers, income maximisation programs are offered and if needed external funding would be looked at, there was a discretionary housing payment allocation and the use of alternative payment arrangements to assist with making difficult decisions to enable them to sustain their homes. We work closely with other agencies such as the Citizens Advice Bureau and offer support for things like debt relief orders for tenants to sustain their tenancies. This can offer a clean slate and are tied into the breathing space requirement, if a tenant seeks support and assistance with their rent arrears or other debts. We work with that breathing space provision and give them a three month clear time where we do not chase the debt but can provide intervention to seek external sources and funds to assist them in the clearance of debt.

A Member highlighted that in the report at 5.4 it mentions that the Council will be required to inform Welsh Government if we don't submit the Business Plan by the 31st March 2024 and then be required to work with Welsh Government to develop the Business Plan and if we don't do so it will be treated as a failure to comply. The member considered that this should be reflected in the reasons for the recommendation. Officers confirmed that the amendment would be made to the report.

Following consideration of the report it was moved and seconded that the recommendations be approved. By way of Microsoft Forms and verbal vote (and in noting there were 15 for, 0 against and 0 abstentions) this was unanimously agreed.

RESOLVED that: - Members of the Housing and Environment Scrutiny Committee acknowledged and considered the 2024/25 Housing Business Plan prior to its approval by Cabinet on the 3rd April, and its submission to Welsh Government by the 31st March 2024.

The meeting closed at 19:05 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 30th April 2024, they were signed by the Chair.

CHAIR