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(Tel: 01443 864245 Email: barrerm@caerphilly.gov.uk)

Date: 13th January 2016

Dear Sir/Madam,

A meeting of the **Policy and Resources Scrutiny Committee** will be held in the **Sirhowy Room, Penallta House, Tredomen, Ystrad Mynach** on **Tuesday, 19th January, 2016** at **5.30 pm** to consider the matters contained in the following agenda.

Yours faithfully,

A handwritten signature in blue ink that reads 'Chris Burns'.

Chris Burns
INTERIM CHIEF EXECUTIVE

A G E N D A

	Pages
1 To receive apologies for absence.	
2 Declarations of Interest Councillors and Officers are reminded of their responsibility to declare any personal and/or prejudicial interest(s) in respect of any business on this agenda in accordance with the Local Government Act 2000, the Council's Constitution and the Code of Conduct for both Councillors and Officers.	
To approve and sign the following minutes: -	
3 Policy and Resources Scrutiny Committee held on 10th November 2015 (minute nos. 1 - 12).	1 - 8

A greener place Man gwyrdach

Correspondence may be in any language or format | Gallwch ohebu mewn unrhyw iaith neu fformat



- 4 Special Policy and Resources Scrutiny Committee held on 7th December 2015 (minute nos. 1 - 7). 9 - 16
- 5 Consideration of any matter referred to this Committee in accordance with the call-in procedure.
- 6 To receive a verbal report by the Cabinet Member(s).
- 7 To receive and consider the following Cabinet Reports*: -
1. Results of the 2015 Household Survey – 11th November 2015;
 2. Adoption of the Common Allocation Policy – 11th November 2015;
 3. Cwmcarn Memorial Cottage Hospital Fund – 11th November 2015;
 4. Notice of Motion – Land Adjacent to Cefn Fforest Leisure Centre – 25th November 2015;
 5. Council Tax Base 2016 – 2017 – 9th December 2015;
 6. Syrian Vulnerable Persons Relocation Scheme – 9th December 2015;
 7. Cabinet Forward Work Programme – 9th December 2015;
 8. Rowan Place, Rhymney – Proposed Demolition of Flats – Blocks 69-72 – 16th December 2015;
 9. Proposed Demolition of Former Lansbury Park Community Centre – 16th December 2015;
 10. Welsh Language Standards – Compliance and Challenge – 16th December 2015.

**If a member of the Scrutiny Committee wishes for any of the above Cabinet reports to be brought forward for review at the meeting please contact Rebecca Barrett, 01443 864245, by 10.00 a.m. on Monday, 18th January 2016.*

To receive and consider the following Scrutiny reports:-

- 8 Housing Revenue Account Charges - 2016-2017. 17 - 26
- 9 Small Lots - Review of Contract Arrangements. 27 - 34
- 10 Leaseholder Charges and Consultation Arrangements. 35 - 44
- 11 Rowan Place - Progress Report and Sensitive Lettings Policy. 45 - 62
- 12 Re-profiling of WHQS Programme and Capital Programme for 2016/17. 63 - 86
- 13 WHQS Compliance Policy. 87 - 110
- 14 Draft Customer Services Strategy 2016-2020. 111 - 130
- 15 To record any requests for an item to be included on the next available agenda.

To receive and note the following information items*:-

16	Housing Revenue Account Budget Monitoring Report 2015/16 (Period 7).	131 - 138
17	Corporate Services and Miscellaneous Finance 2015/16 Budget Monitoring Report (Period 7).	139 - 146
18	2015/16 Capital Expenditure Monitoring Report (Period 7).	147 - 152
19	Whole-Authority Revenue Budget Monitoring Report 2015/16.	153 - 162
20	Corporate Health and Safety Committee Minutes - 29th June 2015.	163 - 166
21	Caerphilly Homes Task Group Minutes - 29th October 2015.	167 - 172
22	Pensions/Compensation Committee Minutes - 9th December 2015.	173 - 174

**If a member of the Scrutiny Committee wishes for any of the above information items to be brought forward for review at the meeting please contact Rebecca Barrett, 01443 864245, by 10.00 a.m. on Monday, 18th January 2016.*

Circulation:

Councillors L.J. Binding, Mrs P. Cook, C.J. Cuss, H.W. David (Chair), Miss E. Forehead, J.E. Fussell, C. Hawker, Ms J.G. Jones, G. Kirby, A. Lewis, C.P. Mann, S. Morgan (Vice Chair), D. Rees, R. Saralis, J. Simmonds and J. Taylor

And Appropriate Officers

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POLICY AND RESOURCES SCRUTINY COMMITTEE

MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH ON
TUESDAY, 10TH NOVEMBER 2015 AT 5.30 P.M.

PRESENT:

Councillor H.W. David - Chair

Councillors:

Mrs P. Cook, C.J. Cuss, Miss E. Forehead, J.E. Fussell, C. Hawker, Ms J.G. Jones, G. Kirby,
A. Lewis, C.P. Mann, D. Rees, R. Saralis, J. Simmonds, J. Taylor

Cabinet Members:

D.V. Poole (Housing)

Together with:

N. Scammell (Acting Director of Corporate Services and Section 151 Officer), P. Davy (Head of Programmes), C. Jones (Head of Performance and Property Services), K. Williams (Private Sector Housing Manager), M. Jennings (Housing Strategy Officer), C. Forbes-Thompson (Scrutiny Research Officer) and R. Barrett (Committee Services Officer)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors L. Binding and S. Morgan (Vice-Chair), together with Cabinet Members Mrs C. Forehead (HR and Governance/Business Manager), D.T. Hardacre (Performance and Asset Management) and Mrs B. Jones (Corporate Services).

2. DECLARATIONS OF INTEREST

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

3. MINUTES – 30TH SEPTEMBER 2015

Subject to it being noted that Councillor D. Rees had given his apologies for this meeting but they had not been recorded, it was

RESOLVED that the minutes of the Policy and Resources Scrutiny Committee held on

30th September 2015 (minute nos. 1 – 14) be approved as a correct record and signed by the Chair.

4. MINUTES – 22ND OCTOBER 2015

In noting the positive outcomes that had arisen from this meeting held to discuss the use of Bed and Breakfast Accommodation for Emergency Housing, Members

RESOLVED that the minutes of the Special Policy and Resources Scrutiny Committee held on 22nd October 2015 (minute nos. 1 – 8) 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. REPORT OF THE CABINET MEMBER

The Scrutiny Committee were informed that Councillor Mrs B. Jones (Cabinet Member for Corporate Services) had given apologies for her absence, and a copy of her report was tabled at the meeting. Members noted its contents, which included an update on the following matters:-

- An update in respect of the closure of Pontllanfraith House and associated office moves;
- News on the Authority's computer replacement programme;
- Progress in respect of the Welsh National Procurement Service;
- Details of consultation sessions relating to the Authority's budget for 2016/17 (including drop-in sessions in local communities, an article in Newslines, a Viewpoint Panel budget-themed event, and forthcoming events for users of British Sign Language, the Youth Forum, 50+ Forum and other agencies). The closing date for the consultation is 8th January 2016;
- Information on South Wales Armed Forces Day (Saturday 25th June 2016);
- An update on the Authority's Operation Santa Appeal for 2015;
- Uptake in relation to the "Stay Connected" and "NewsONLine" websites;
- An update in respect of the issuing of disabled parking Blue Badges over the past year;
- Details of the relocation of the Blackwood Customer Services Centre.

There were no queries from the Scrutiny Committee arising from this report.

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. NOTICE OF MOTION – LAND ADJACENT TO CEFN FFOREST LEISURE CENTRE

The report detailed a Notice of Motion received from Councillors Ms J.G. Jones, C. Hawker, N. Dix, Mrs P. Cook, A. Rees, C. Durham, R. Saralis and Mrs J. Summers, in relation to the sale of land adjacent to Cefn Fforest Leisure Centre. The report also contained a response to the Notice of Motion from appropriate Officers and sought the views of Members prior to its presentation to Cabinet.

Councillor Ms J.G. Jones introduced the Notice of Motion, which requested that Members consider the following:-

“That a previous decision of Cabinet to dispose of land that once formed a part of Cefn Fforest Leisure Centre be withdrawn from sale with immediate effect on the basis that such a sale will put this piece of land at a disadvantage under a forthcoming Strategic Review of Leisure Centres”.

Discussion took place regarding the consultation process in respect of the proposed sale, the impact of any sale on parking availability and the benefits in retaining the land for use by the leisure centre. In responding to Members’ queries, Colin Jones (Head of Performance and Property Services) clarified the location of the land and confirmed that a formal offer at market value had been received for its purchase.

Following consideration of the Notice of Motion and the Officer’s report, it was moved and seconded that the Notice of Motion be supported and referred to Cabinet for a decision in accordance with the Council’s Constitution. By a show of hands (and in noting there was 1 abstention) this was agreed by the majority present.

In accordance with Rule of Procedure 15.5, Councillor C.J. Cuss wished it noted that he had abstained from voting on the recommendation.

RECOMMENDED to Cabinet that a decision on the Notice of Motion be reached in accordance with the Council’s Constitution.

9. ADOPTION OF THE COMMON ALLOCATION POLICY

Mark Jennings (Housing Strategy Officer) presented the report, which provided an overview of the process undertaken to develop a common allocation policy as an intended replacement for the Council’s existing allocations policy. The report sought Members’ endorsement of the adoption of the new common allocation policy, prior to its presentation to Cabinet for approval.

Members were informed that the policy has been developed in partnership with local housing associations and will be introduced alongside the common housing register. The policy has been subjected to an extensive consultation process during its development and full details of this process were outlined within the report. Full consideration had been given to examples of good practice, guidance and legislation and a full equality impact assessment was also undertaken against the new policy.

It was explained that the new policy will replace the Council’s existing allocations policy and will also apply to new housing association partners who, upon request of the Council, will sign up to the new policy. The new policy will provide a standardised and consistent way of allocating properties to all those on the common housing register who are seeking social housing within the borough.

The Scrutiny Committee were referred to details of the IT requirements of the project, plans for the implementation of the policy and its monitoring and review, as outlined within the

report. Members were informed that the first large scale review of the policy will be carried out with landlords twelve months after the date of the implementation of the policy and its results reported to Cabinet, to ensure that it remains compliant with legislation and good practice, with further reviews then carried out on a cyclical basis.

During the course of the ensuing discussion, reference was made to one aspect of the public consultation exercise, which involved the Council contacting all applicants who might be potentially affected by the change in policy, with a Member commenting on the low level of response received. It was confirmed that all applicants had been contacted by a standard letter and that if adopted, the new policy would be explained in greater detail when applicants are notified about the reassessment of their housing need that will need to be undertaken in accordance with the new policy.

Discussion took place on the implications of the new policy and Members sought clarification on reasonable preference conditions in awarding housing to applicants. Officers explained that there was a requirement to give preference to those living in certain conditions and that issues raised by Members would be addressed via housing advice supplied by Housing staff. It was also explained that Environmental Health Officers work with landlords to try and improve issues relating to unsatisfactory housing conditions as they arise.

A query was raised regarding the accountability of tenants who leave Council houses in a poor condition and Officers confirmed that criteria was included in the policy to address this matter. It was explained that all applicants undergo a process which takes into consideration tenancy history and any previous issues relating to property damage. Officers gave assurances as to the robustness of the application process in ensuring all tenancy checks are properly completed. Members also queried staffing capacity in respect of the recently introduced property inspection programme for the Council's own stock. It was explained that such inspections would be incorporated as part of home visits undertaken either in conjunction with the WHQS scheme or else as part of other routine housing visits.

Reference was made to a significant difference in the new policy, which would introduce a limit on the number of offers of accommodation and an application being suspended for 12 months on the third unreasonable refusal. Clarification was sought on the meaning of "unreasonable", whether this included offers of housing in terms of unsuitability or inappropriate location, and the appeals process in the event of such an occasion. Officers explained that offers of housing should only be made in accordance with the preferences expressed by the applicant (e.g. landlord, location, property type and size) and explained that there was a process in place within the policy where the applicant would have the opportunity to request a review of a decision by the council to regard an offer as unreasonable. Further information on offers and refusals was contained within the new Common Allocation Policy as appended to the report.

A Member sought clarification on whether a section of the new policy that addressed Joint to Sole Tenancy included bereavement within a household, and also queried the impact of this policy in the event of relationship breakdowns. Officers confirmed that occasions involving bereavement would be handled on a case-by-case basis, and that the Joint to Sole Tenancy clause had been included to address issues related to household size criteria and cases of over-occupancy.

Clarification was sought on a clause within the policy relating to application assessment and tenancy sustainability, which stated that where prospective housing association tenants cannot satisfy their prospective landlord that they can afford the rent, then the landlord will not actively consider them for housing. Officers explained that a degree of flexibility would be exercised in such situations and if the circumstances change, with it found that the applicant can subsequently satisfy the affordability criteria, the restriction on their rehousing will be removed.

A Member sought clarification on the criteria involved within the Priority Banding System and queried whether existing applicants would understand the difference in the criteria between the old and new policies. Officers explained that the new criteria would provide a greater level of transparency, be easier to understand and provide a degree of flexibility to meet changing housing needs. Applicants will be grouped into one of 3 bands, depending on their level of housing need, which should make the new banding system easier to understand.

Arising from discussion during the course of the meeting, Members expressed a need for the results of the first review of the new Common Allocation Policy to be presented to the Policy and Resources Scrutiny Committee prior to its consideration by Cabinet. As such, it was moved and seconded that subject to this being included in the report recommendations to Cabinet, the Common Allocation Policy be formally adopted and that upon its implementation, the Council's existing allocations policy be rescinded. By a show of hands, this was unanimously agreed.

RECOMMENDED to Cabinet that:-

- (i) the Common Allocation Policy be formally adopted and that upon its implementation the Council's existing allocations policy be rescinded;
- (ii) the results of the first review of the policy (12 months after its implementation) be reported to the Policy and Resources Scrutiny Committee and thereafter Cabinet.

10. IMPROVEMENT OBJECTIVE IO5 – INVESTMENT IN COUNCIL HOMES TO TRANSFORM LIVES AND COMMUNITIES

Phil Davy (Head of Programmes) presented the report, which provided a 6-month update of progress made against Improvement Objective 5 for 2015/16 (investment in Council homes to transform lives and communities).

Members were reminded of the significant slippage that arose within the Welsh Housing Quality Standard (WHQS) Programme during 2014/15, which necessitated a review of the investment strategy and the implementation of a number of measures to increase capacity and spread risk to ensure that the target completion date of March 2020 can still be achieved.

Officers explained that for the first 6 months of 2015/16 this Improvement Objective has been assessed as being partially successful. Steady progress has been made with the internal works contracts since April 2015, although only 66% of the original target has been achieved against the number of properties that were profiled for the first 6 months, but re-profiling has increased this result to 73%. Maintaining continuity of work for all internal works contracts has been difficult due to delays with asbestos surveys, a backlog of Occupational Therapy referrals and timescales for meter moves.

The programme of external works in the Eastern Valleys (small lots) has run on from the 2014/15 financial year causing knock-on delays for this year's work programme. The first contract in Markham has now been completed (53 properties) and another six contracts are due for completion during October/November (126 properties). Two further contracts have commenced in the Upper Rhymney Valley (338 properties). Although there is a significant pipeline of external works contracts to follow, the 2015/16 programme is not anticipated to be completed until late in 2016. Absorbing the slippage is challenging due to the knock-on impact this will have on future years. A re-profiling of the programme from 2016/17 through to 2019/20 is currently in preparation and will underpin the capital programme for 2016/17.

Discussion of the report ensued and clarification was sought on the term “re-profiling” and how this will improve success against the Improvement Objective. Officers outlined the structure of works at the start of the WHQS process, whereby the programme was split into three areas across the county borough (Upper Valley, Lower Valley and Eastern Valley) and the sequence of works focused around community areas. As part of the measures to increase capacity arising from slippage in 2014/15, re-profiling of these areas is currently underway, which includes reassessing properties and readjusting the programme of works as needed, categorising properties by contract packages, and re-arranging (or “re-scheduling”) the schedule of works across community areas as the need arises.

In response to a query as to the impact of this re-profiling on Caerphilly Homes tenants, Officers confirmed that this would have an effect in terms of the planned schedule of works across the county borough. Members were informed that a further report would follow in the New Year in respect of re-profiling and the areas/tenants affected, and were advised that as specific dates for the programme of works had not been released, tenants were unlikely to have been aware of exactly when the works were due to be carried out.

Members were reminded of the significant challenges faced in meeting the requirements of the WHQS whilst managing the budget within cost restraints and maintaining affordability, together with unforeseen circumstances that had created delays and additional works (such as extensive damp problems within Rowan Place in Rhymney). Officers gave assurances that all Caerphilly Homes tenants will receive the necessary works to their homes in line with the requirement for the WHQS programme of works to be completed by 2020.

A Member stated that tenants had been made aware of when to expect internal/external works and expressed the importance of tenants being kept informed of the works schedule for their homes. Officers explained that the programme of works had been published through to 2020 but that it had been made clear that it could be subject to change, and also that this schedule had outlined the programme of works on a yearly, not monthly, basis for each area.

In response to a query as to whether such re-profiling and re-sequencing had been anticipated at the commencement of the WHQS programme, Officers confirmed that this had been inevitable due to the huge nature of the programme, the number of contracts and personnel involved and the contrasting timelines in use. Members were referred to modifications to the programme of works that had taken place along the way, such as the decision to outsource works to Sheltered Housing schemes, and Officers advised that decisions would have to be made on how to accommodate a number of further adjustments.

Discussion took place in respect of historical improvements carried out to properties, with Members advised of difficulties that had been subsequently encountered during the WHQS programme of works. A particular example is that of damp caused by saturated cavity wall insulation as a result of defects in the fabric of some buildings. This is now being included as part of the WHQS programme of works but was not identified as part of the original scheme in the Savills housing stock survey of 2008.

A Member queried the potential impact on Welsh Government funding should the Council be deemed to be unsuccessful against too many areas of this Improvement Objective. Officers explained that a failure to meet targets could have potential implications or lead to sanctions in terms of the Major Repairs Allowance grant currently received from Welsh Government.

In response to a Member’s query, Officers summarised the main costings against the WHQS scheme and outlined the methods by which these are calculated. It was explained that there had been some unanticipated costs arising from a shortfall in the original Savills survey but that these costs had been offset in a number of other areas. Officers explained that they were reviewing cost calculations in a number of areas and gave assurances that costs against the WHQS programme were being kept under control. Clarification was also provided on the

limitations in place in respect of the Housing Revenue Allowance (HRA) borrowing cap and Members were advised of the need to be mindful of the financial implications in borrowing more than the recommended amount against the HRA.

Further clarification was sought on the implications against the Major Repair Allowance grant, should the WHQS not be achieved by 2020. Officers explained that borrowing against the HRA relates to the whole programme (and not a specific year) and Members were reminded of the huge challenges entailed in successfully delivering the WHQS programme within this timeframe. Officers advised that resources were at capacity which had led to a number of delays and that it had been acknowledged that the programme schedule needed to quicken in order to pick up the slippage from previous years.

Officers reiterated that the 2020 deadline is achievable and that a number of measures have been put in place to increase the rate of completions, which include outsourcing and consultancy measures previously detailed to Members. Officers advised that it would take time to see the benefits of these measures and that it was currently unclear what sanctions could be applied by the Welsh Government if the deadline was not met. Assurances were given that the Authority have a viable business plan in place in respect of the WHQS programme.

Officers also responded to general queries against a number of the performance indicators listed within the report appendices. Particular reference was made to the number of homes compliant with WHQS in respect of their internal elements (745 homes) and achievement against the target of 2242 homes. Officers explained that this is an annual target and that the true completion rate would not be realised until the financial year end. It was also explained to Members that the number of weekly completions vary and are dependent on a number of extenuating factors.

A Member referred to the partially met performance indicator that outlined a significant backlog in Occupational Therapy referrals (that result in the actioning of household adaptations for those clients in need). Officers explained that this backlog had arisen from a number of performance issues but that additional staff had now been recruited to clear this backlog. Clarification was also sought on the partially completed performance indicator against the appointment of critical front line staff. Officers explained that although a number of these posts had been filled, the recruitment process had only been partially completed in that they were having difficulties in recruiting suitably qualified staff to fill these key roles.

Following consideration of the report and in noting its contents, an amendment to the recommendation was moved and seconded in that whilst Members recognised the progress made at the half-year stage, they would wish to see better progress against this Improvement Objective in the future, and that updates be reported to the Policy and Resources Scrutiny Committee on a quarterly basis. By a show of hands, this was unanimously agreed.

11. REQUESTS FOR REPORTS TO BE INCLUDED ON THE NEXT AVAILABLE AGENDA

There were no requests for reports received.

12. INFORMATION ITEMS

The Committee noted the following items for information, full details of which were included within the Officers reports. There were no items brought forward for review.

- (1) Discretionary Rate Relief Applications;

- (2) Treasury Management and Capital Financing Prudential Indicators Quarter 1 and Quarter 2 Monitoring Report (1st April 2015 to 30th September 2015);
- (3) Review of Charitable Rate Relief Awards;
- (4) Write Off of Debts – 01/04/15 – 30/09/15;
- (5) The Use of Bed and Breakfast Accommodation for Emergency Housing;
- (6) Caerphilly Local Service Board Minutes - 3rd March 2015;
- (7) Caerphilly Local Service Board Minutes - 2nd June 2015;
- (8) Caerphilly Homes Task Group Minutes - 17th September 2015;
- (9) Summary of Members' Attendance - Quarter 2 - 1st July 2015 to 30th September 2015;
- (10) Policy and Resources Scrutiny Committee Forward Work Programme.

The meeting closed at 7.14 pm

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 19th January 2016, they were signed by the Chair.

CHAIR



SPECIAL POLICY AND RESOURCES SCRUTINY COMMITTEE

MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH ON
MONDAY, 7TH DECEMBER 2015 AT 5.30 P.M.

PRESENT:

Councillor H.W. David – Chair
Councillor S. Morgan – Vice-Chair

Councillors:

Mrs P. Cook, C.J. Cuss, Miss E. Forehead, C. Hawker, Ms J.G. Jones, G. Kirby, R. Saralis,
J. Simmonds, J. Taylor

Cabinet Members:

Mrs C. Forehead (HR and Governance/Business Manager), D.T. Hardacre (Performance and
Asset Management) and Mrs B. Jones (Corporate Services)

Together with:

N. Scammell (Acting Director of Corporate Services and Section 151 Officer), S. Couzens
(Chief Housing Officer), S. Harris (Interim Head of Corporate Finance), C. Jones (Head of
Performance and Property Services), D. Titley (Corporate Customer Services Manager),
K. Williams (Private Sector Housing Manager), A. Price (Interim Deputy Monitoring Officer)
and R. Barrett (Committee Services Officer)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors L.J. Binding, A. Lewis, C.P. Mann and
D. Rees, together with Cabinet Member D.V. Poole (Housing).

2. DECLARATIONS OF INTEREST

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

REPORTS OF OFFICERS

Consideration was given to the following reports.

3. **UPDATED MEDIUM-TERM FINANCIAL PLAN AND DRAFT SAVINGS PROPOSALS FOR 2016/17**

Steve Harris (Interim Head of Corporate Finance) presented the report, which provided Members with an overview of the updated Medium-Term Financial Plan (MTFP) and draft 2016/17 savings proposals that were presented to Cabinet on the 14th October 2015, and summarised the 2016/17 savings proposals for the Directorate of Corporate Services.

Members were reminded that on 25th February 2015 Council approved the Medium-Term Financial Plan (MTFP) that showed a potential savings requirement of £14.030m for the 2016/17 financial year and £12.105m for 2017/18. This position assumed a 3.4% cut for both years in the Aggregate External Finance (Revenue Support Grant (RSG) and Redistributed Non-Domestic Rates) funding received from the Welsh Government (WG). The UK Government has undertaken a Comprehensive Spending Review in recent months and it is anticipated that the financial outlook for Local Government in Wales will inevitably worsen, which will be exacerbated by the likelihood of WG continuing to offer a degree of protection to the NHS.

This Spending Review has resulted in a delay in the announcement of the WG 2016/17 Provisional Local Government Financial Settlement and this is not expected until 9th December 2015. However, as cuts are likely to be deeper than originally anticipated, the MTFP has now been revised to reflect a reduction in the Aggregate External Finance (AEF) of 4.3% for 2016/17 and 2017/18, which equates to a further cash reduction of £2.555m for 2016/17 and £2.360m for 2017/18 above the levels originally assumed (i.e. a total savings requirement of £31.050m).

The 2016/17 Draft Savings Proposals Report presented to Cabinet on 14th October 2015 included an updated MTFP based on a number of assumptions and adjustments (some of which have reduced the overall savings requirement). Full details of these were contained within the report. After all of the above adjustments have been factored into the updated MTFP the remaining projected savings requirement for the Authority are £14.321m for 2016/17, £11.441m for 2017/18 and £9.423m for 2018/19.

The budget strategy agreed by Council on 25th February 2015 included a number of principles to be followed throughout the process of identifying savings proposals. In following these principles, the work to identify savings proposals has been led by the Corporate Management Team in consultation with appropriate Cabinet Members. Heads of Service have been heavily involved throughout the process with support from colleagues in Finance. Service Managers have also been included to ensure that all options that are deliverable for 2016/17 have been considered.

Some of the approved savings for the 2015/16 financial year only had a part-year impact (totalling £1.980m) with the full-year impact now being available to support the savings required for 2016/17. These were summarised in Section 4.2.3 of the report. A high-level summary of the new proposed savings for the 2016/17 financial year by service area and totalling £12.432m was also included in the report. The total proposed savings of £12.432m along with the £1.980m full-year impacts is £91,000 higher than the anticipated total savings

requirement of £14.321m for the 2016/17 financial year. This provides a small buffer which can be used to reconsider some of the savings proposals at the conclusion of the ongoing consultation process or alternatively the £91,000 can be set aside as savings in advance for the 2017/18 financial year.

The report presented to Cabinet on 14th October 2015 identified savings proposals totalling £8.661m across all service areas that do not have a direct impact on service users or the public. These proposals were categorised into a single line for each service area in the Appendices of the report. This is consistent with the approach adopted last year and the proposals consist in the main of vacancy management, structural reviews, budget realignment and minor changes to service provision.

The 2016/17 savings proposals for the Corporate Services Directorate amount to £1.931m, which represents 8.31% of the Directorate's 2015/16 total net budget. £1.7m of the savings proposals will have no direct impact on service users or the public. The remaining proposals totalling £0.231m will have an impact on service users and/or the public and were summarised within the report.

These included proposed savings in respect of General Fund Housing, Property and Policy Services, Customer Services, together with changes to Council Tax and Business Rates fees. Detailed reports on these savings proposals were included separately on the meeting agenda, with Members asked to consider and comment upon the content of each of the reports in turn.

Discussion of the report ensued and concerns were expressed in respect of the personnel implications arising from the 2016/17 draft savings proposals and outlined in the report, which referred to the possibility of a number of compulsory redundancies within the Directorate of Corporate Services. Officers explained that the savings proposals were prepared on the basis of 5 principles as outlined in the report, and that although every effort would be made to avoid this situation, there was the possibility that some compulsory redundancies could occur.

Members were advised that if they were not minded to support the process in respect of possible compulsory redundancies, then there would be a need for Officers to go back and source alternative savings within other essential service areas. Officers also outlined the comprehensive personnel policies involved in respect of compulsory redundancies and highlighted the very small number of such cases that have arisen as a result.

Reference was made to the extensive public consultation process on the 2016/17 draft savings proposals that was currently underway and Members commented positively on the informative article that had been placed in Newslines regarding these proposals. Information was sought in respect of the proposed savings which did not have an impact on service users and/or the public and Officers explained that these would be achieved through the deletion of vacant posts, budget realignment and other minor changes. Discussion also took place regarding future asset rationalisation plans in respect of Council buildings.

Following consideration of the report, it was moved and seconded that the updated Medium-Term Financial plan and anticipated requirements (as outlined in the Officer's report) be noted, and that consideration and comment on the individual reports included on the meeting agenda relating to the draft savings proposals for 2016/17 take place. By a show of hands, this was unanimously agreed.

4. SAVINGS PROPOSALS FOR 2016/2017 – GENERAL FUND HOUSING

Shaun Couzens (Chief Housing Officer) together with Kenyon Williams (Private Sector Housing Manager) presented the report, which advised Members of proposed savings within

General Fund Housing that are required to meet the Medium Term Financial Plan objectives as proposed by Cabinet on 14th October 2015. The total savings proposed for the General Fund Housing budget in 2016/17 are £141,000, of which the majority have no impact on the public.

Members were advised that those General Fund Housing proposed savings (totalling £25,000) which will have a potentially low impact on the public consist of the removal of funding for the Family Intervention Project (FIP) (£15,000) and the phased withdrawal of funding for the contribution to the operational running costs of Caerphilly Care and Repair (£10,000). Full details of the proposals were contained within the Officer's report.

Members were advised that proposed withdrawal of funding for the Family Intervention Project (FIP) had already been considered by the Crime and Disorder Scrutiny Committee on 10th September 2015. This project was funded jointly by Housing (Homelessness Prevention Funding) and the Youth Crime Prevention Fund, but has only ever supported a small number of cases, and for 2014/15 no referrals were received. Other benefactors from the service are not supporting the project financially.

The Authority does, however, continue to support the Valleys Inclusion Project (VIP) which is considered to be a very similar service to the FIP. This project works with any vulnerable household and is thought to be far more cost effective than the FIP. This savings proposal will have a minimal effect on its service users as alternative support can be provided by both the Valleys Inclusion Project and by directly employed staff within the Council's Housing Advice Team as part of their homelessness prevention duties, which are now substantially greater as a result of the recent introduction of the Housing (Wales) Act 2014.

Care and Repair (a home improvement agency) is a third sector organisation with agencies in every Local Authority in Wales, and their main source of funding comes from the Welsh Government. Some agencies are located within Housing Associations, whilst others (as with Care and Repair Caerphilly) are independent agencies with their own management committees. The Authority has supported Care and Repair Caerphilly since 1996, who were based at that time in private sector accommodation at Maesycwmmmer and received an annual cash contribution of around £50,000 from the Authority. Following relocation of the agency into Council premises some years later, the Authority provided support in relation to accommodation and day to day office costs of approximately £5,000, together with an annual cash contribution which currently stands at approximately £15,000 per annum.

The savings proposal is to withdraw funding of £10,000 per annum over two financial years which is expected to have a low impact on the public. Care and Repair Caerphilly have an annual budget of £185,000, of which the Authority's contribution is £30,000. Care and Repair provide a variety of services, one of which is a handyperson scheme. The Agency Director has indicated that it is this service which may be under threat as a result of the withdrawal of the Authority's funding. However the decision on which areas of the service to review will be a matter for the Care and Repair Board of Management to determine.

The Care and Repair service nationally is currently undertaking a restructuring exercise which will see the Caerphilly branch merging with the Blaenau Gwent branch. Merger discussions have already commenced, a Shadow Board is in place and it is hoped that advance warning of the savings proposals can be addressed as part of their merger process with a view to a reshaped service being provided.

Consideration of the proposals ensued and discussion took place regarding the impact of the proposed merger between Caerphilly and Blaenau Gwent Care and Repair services. Officers explained that discussions were currently ongoing and that the impact of such a merger would become clearer at a future point in time.

Reference was made to the proposal to remove funding for the Family Intervention Project and the alternative support in relation to homelessness prevention that would be provided by the Council's Housing Advice Team. Officers confirmed that in addition to support being provided by Homeless Prevention Officers (within the Housing Advice Team) and Tenancy Enforcement Officers, a number of additional Tenancy Support Officers and Tenant Liaison Officers had recently been recruited who would assist in resolving such issues.

Following consideration of the report, it was moved and seconded that the low impact of the proposals be noted and the proposed savings for 2016/17 in respect of General Fund Housing (as outlined in the Officer's report) be supported. By a show of hands, this was unanimously agreed.

5. MTFP 2016/17 – PROPERTY AND POLICY SERVICES

Colin Jones (Head of Performance and Property Services) presented the report, which proposed a number of 2016/17 revenue budget savings within Property and Policy Services that are considered to have some impact on the public. These proposed savings totalled £61,300 for 2016/17 and included the following proposals, full details of which were contained within the Officer's report:-

- (1) Reduce the council's annual budget for supporting voluntary organisations in 2016/17 by £30,000;
- (2) Where appropriate, dispose of council owned buildings identified as surplus to requirements, releasing service savings of £15,000;
- (3) Effect lease savings from the Market Place, Blackwood by re-negotiating and transferring the lease costs to the Housing Revenue Account (HRA), releasing service savings of £16,300.

Officers explained that consultation had taken place with relevant organisations on the budget reduction proposals, including at the Voluntary Sector Liaison Committee on 2nd December 2015. Feedback had been received from one of the organisations (GAVO) in respect of these proposals, who had asked it to be noted that despite their relocation to Newport, this had not changed their focus or charitable objectives (which had been suggested in the Officer's report) and that they remained committed to the delivery of a service within Caerphilly County Borough. The Officer reported that the meeting had been well attended and that the organisations had welcomed the opportunity to present their views on the proposals.

In respect of property savings, Officers outlined the details of the Council-owned buildings identified as surplus to requirements, and the income and savings that would be realised from their disposal. Members were also informed that the Customer First Centre in Blackwood was currently in the process of relocating from the Market Place premises to Blackwood Library. The vacant premises would be occupied by the Area Housing Team as part of the proposals to maintain a Council presence in Blackwood Town Centre following the closure of Pontllanfraith Offices. This would allow the lease costs to be transferred to the Housing Revenue Account which would realise a saving of £16,300.

Discussion of the report ensued and Officers confirmed that there had been no challenge by GAVO in respect of the budget cut proposals. Members agreed that GAVO's comment in respect of their focus and objectives be recognised by the Scrutiny Committee and requested that this be relayed to Cabinet during presentation of the report.

Following consideration of the report, it was moved and seconded that the proposed savings

for 2016/17 in respect of Performance and Property Services (as outlined in the Officer's report) be supported. By a show of hands, this was unanimously agreed.

6. SAVINGS PROPOSALS FOR 2016/2017 – CUSTOMER SERVICES

David Titley (Corporate Customer Services Manager) presented the report, which proposed a number of service changes within Customer Services that are required to achieve budget savings of £122,000 for 2016/17.

Members were advised that it was proposed to reduce the opening hours of Customer Service Centres and projects to encourage customers to use lower cost contact channels such as the Contact Centre, on-line digital services and kiosks. This would generate a saving of £52,000, principally in staff related costs, and would lead to the need to reduce staff numbers by 4.3 full time equivalent (FTE). These proposals included a staggered closure of a number of Customer Service Centres across the county borough for one morning per week.

It was explained that closures on Mondays, Tuesdays and Fridays have been avoided as these are the busiest times of the week in terms of customer use. Members were referred to the Officer's report which outlined full details of the proposed reduction in opening hours. A comparative table within the report was also noted which showed a significant increase in online and Contact Centre payments and a notable decrease in payments made in person at Customer Service Centres.

Members were also advised that the Mobile Customer Service Centre has had very limited uptake by residents, with approximately 100 customers a month using this service, mainly to make payments. As a result of this low footfall, the average staff cost to deal with each customer contact is approximately £39 per contact, and it was therefore proposed that this service be discontinued, which will generate a saving of £70,000.

During the course of the ensuing debate, Officers confirmed that it was intended to dispose of the Mobile Customer Service Centre vehicle following its decommissioning. Discussion took place on this matter and Members referred to Section 4.8 of the Officer's report, which explained that the Mobile Customer Service Centre had originally been introduced to help mitigate the impact of Welfare Reform changes. This matter has since been addressed by other successful initiatives within the Authority, which has led to a lower than expected usage of the Mobile Customer Service Centre. Members recognised that there is no longer a need for the vehicle's intended use and requested that a comment to this effect be included within the report recommendation and forwarded to Cabinet.

Reference was made to the need to reduce staff numbers by 4.3 FTE as part of the proposed savings. The service currently has 2 FTE vacant posts and hence there is a need to reduce by 2.3 staff. Officers confirmed that every effort would be made to avoid compulsory redundancies, with full use made of personnel policies to achieve this if redeployment of the staff is not achievable in the first instance. It was also confirmed that the Trade Unions had been advised of this potential reduction and had taken a pragmatic view of the proposals.

A Member requested details of the footfall for the Customer Services Centres and the numbers of people using them to report issues and it was agreed that Officers would circulate this information to the Scrutiny Committee following the meeting.

Subject to it being reported to Cabinet that the Scrutiny Committee recognised that the Mobile Customer Service Centre is no longer required for its intended use, it was moved and seconded that the new Customer Services arrangements (as highlighted in the Officer's report) be endorsed for further public and user consultation. By a show of hands (and in

noting there were 2 abstentions), this was agreed by the majority present.

7. COUNCIL TAX AND BUSINESS RATES – PROPOSED INCREASE IN COURT FEES

Steve Harris (Interim Head of Corporate Finance) presented the report, which proposed an increase in the court fees payable in relation to the process for obtaining liability orders for unpaid council tax and National Non-Domestic Rates (also known as business rates).

Members were informed that whilst the majority of householders and businesses pay their bill on time, there are circumstances when the Council has to take steps to recover unpaid council tax/business rates. This is a statutory process which eventually leads to the serving of a court summons with a view to obtaining a liability order. A liability order is a court order that enables the Council to enforce the collection of unpaid council tax or business rates. During the 2014/15 financial year 6,388 court summonses were issued and 5,637 liability orders were obtained.

As a billing/rating authority, the Council is permitted under council tax and non-domestic rating regulations to recover the costs incurred in carrying out the actions necessary to obtain a liability order in the magistrates' court. In Wales the fees chargeable by a billing/rating authority in respect of a summons action and a liability order application for council tax and business rates arrears are currently limited by regulation to a maximum of £70.00 in each case. Included within the £70.00 fee limit per case, there is a statutory £3.00 fee payable to the magistrates' court for issuing each summons. For Caerphilly CBC, the total fee payable in each case for the 2015/16 financial year is £57.30 (which includes the £3.00 fee payable to the court).

It was therefore proposed that an incremental approach to increasing the level of fees be adopted until they match the actual costs incurred (subject to the £70.00 limit imposed by regulation). Members were therefore asked to consider and comment upon the following proposals:-

- (1) A proposed increase of 4% with effect from 1st April 2016. This results in an increase of £2.30 per case i.e. from the current level of £57.30 to £59.60;
- (2) The potential for further incremental annual increases from 2017/18 (subject to a further report at a later date setting out detailed proposals).

Members were informed that all Welsh Local Authorities had been contacted to determine what court fees are being charged across Wales. 20 responses were received, which revealed that the majority of Local Authorities are charging the maximum fee of £70.00.

During the course of the ensuing debate, discussion took place regarding the feasibility of increasing the fees to the maximum £70.00 limit. Clarification was also sought on the rationale behind annual incremental increases (as opposed to a single larger increase) and Officers explained that this had been proposed in line with the results of public feedback.

In response to Members' queries, Officers outlined the processes involved in respect of council tax/business rates arrears and repayment plans, and confirmed that a robust collection procedure (with a 99% success rate) was operated by the Authority.

Following consideration of the Officer's report, an amendment to the recommendation contained within was moved and seconded, in that the maximum £70.00 court fee (instead of the proposed 4% increase and further annual incremental increases) be implemented with

effect from 1st April 2016. By a show of hands (and in noting there was 1 against) this was agreed by the majority present.

The meeting closed at 6.13 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 19th January 2016, they were signed by the Chair.

CHAIR



POLICY AND RESOURCES SCRUTINY COMMITTEE – 19TH JANUARY 2016

SUBJECT: HOUSING REVENUE ACCOUNT CHARGES – 2016-2017

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151 OFFICER

1. PURPOSE OF REPORT

- 1.1 For Members to consider and take a view on the increased charges proposed in this report, prior to Cabinet approval on the 3rd February 2016. The charges are intended to be effective for the Housing Revenue Account (HRA) for the 2016/17 financial year.

2. SUMMARY

- 2.1 Members will be aware that the preparation of the Housing Revenue Account (HRA) budget is quite separate to the work involved in setting the General Fund Budget and Council Tax.
- In previous years The Welsh Government (WG) 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 has recently changed this uplift policy as part of the new Policy for Social Housing Rents. The new rent policy came into effect from April 2015 and was accepted by Members in the 2015/16 HRA charges report. The policy sets 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 is above the target rent, average rents will increase at a lower rate.
 - The uplift on the new rent policy is fixed for five years and uses the previous September Consumer Price Index (CPI) inflation figure (as opposed to the RPI inflation figure) and also applies a 1.5% real increase to the average local authority rent. The previous September CPI inflation figure was -0.1% (minus) and has been at or around 0% for most of 2015 so already putting Local Authorities in a less favourable rent increase position. WG have announced the minimum rent uplift for 2016/17 to be 1.4% which is CPI at -0.1% plus 1.5%. However if this increase is applied it will not meet the rent policy target rent band that has been set for CCBC.
- 2.2 The responsibility for setting the rents for individual dwellings remains with the individual landlords, however the new policy sets a target rent band for each landlord who will be required to operate with average weekly rent levels that fall within the scope of those bands. The new policy is intended to provide landlords with a continuing measure of discretion over their overall rent levels and there is no proposal to alter the current rent structure for the 2016/17 rent charges, only to apply an inflationary increase that is within the new policy.

- 2.3 The Welsh Government national target rent bands for each landlord are based on a rent matrix that sets the principles for each size and type of dwelling in each Local Authority area. Those rent figures are aggregated for each landlord, based on characteristics and location of their housing stock, to provide an overall average matrix rent for each landlord. The key components are:
- Regional factors (house prices, private rents and place of work and place of residence based earnings)
 - Size (number of bedrooms)
 - Type (house flat and bungalow)
 - Energy efficiency of stock (SAP rating)
- 2.4 The current rent setting policy used by Caerphilly County Borough Council was agreed by members in December 1997 and was based upon three factors
- Number of bedrooms
 - Size i.e. square meterage of property
 - Type (house flat and bungalow)
- 2.5 Focus groups were held with tenants during June/July 2015 to ask their opinion on whether CCBC rent setting policy should be changed to also include the following factors that make up the WG rent matrix
- Regional factors
 - Energy efficiency of property
- 2.6 A total of 56 tenants attended the consultation events (970 were contacted and invited to attend the events) together with 17 tenants who attended the tenant information exchange
- 2.7 The results of the consultation exercise were
- 74% of tenants consulted did not agree that regional factors should be used to determine the rent levels
 - 89% did not agree that the energy efficiency of a property should be used to determine the rent levels
- 2.8 Therefore as the majority of tenants consulted agreed that the existing policy should remain unchanged there is no intention to include regional and energy efficiency factors within the Council's rent setting policy.
- 2.9 The target rent bands provide a low end figure, a mid point and a high end figure for each landlord. The average weekly rent level for each landlord is compared to the target rent band and the difference dictates whether the rent needs to be increased to fall within the target rent band.
- 2.10 In order to meet the deadlines for advising tenants of increases in rents and other charges, the increases have to be determined and fully agreed by 16th February 2016. All charges must be formally agreed by this date or it will not allow sufficient time for notice of increase to tenants, which is a legal requirement. This would result in a weekly loss in rent of £30k (based on a 3.5% increase).
- 2.11 All relevant charges are highlighted within this report detailing the amount of additional income that would be generated (excluding voids) if the proposed increases were implemented, along with the percentage of service users receiving housing benefit.

- 2.12 The report also includes proposals for increased service charges relating to our Sheltered Schemes and rent increases for garages.

3. LINKS TO STRATEGY

- 3.1 The recommendations within this report provide the council with additional income that will be used to supplement existing funding arrangements to provide management, repair and improvement of the housing stock. This funding is used to maximize the resources available to assist in meeting and maintaining the WHQS. The rent increase is applied equally to all tenants. The report therefore links to the following strategic objectives:
- Improving Lives and Communities: Homes in Wales (Welsh Government, 2010) which sets out the national context on meeting housing need, homelessness and housing related support services.
 - Caerphilly Delivers (Single Integrated Plan 2013: P2 “improve standards of housing and communities, giving appropriate access to services across the county borough”.
 - IO5: Investment in Council homes to transform homes, lives and communities (WHQS).
 - People, Property & Places: A Local Housing Strategy for Caerphilly County Borough (2008/2013) Strategic Aim 6 – *Our aim is to provide good quality, well managed homes in communities where people want to live, and offer people housing choices which meet their needs and aspirations.*

4. THE REPORT

4.1 Rent Increase

- 4.1.1 For a number of years the WG have effectively determined the level of annual rent increases, and these increases have been linked with the Housing Revenue Account Subsidy (HRAS) calculations, thus restricting an Authority from completely controlling its rental income. Members will be aware of the recent buy out of the HRAS system which introduced self financing from April 2015.
- 4.1.2 Under the new rent policy a target rent band for each Authority is set by WG so there is still some degree of control retained by WG however, all of the rental income will be retained by the Authority and used to fund expenditure, service debt and create borrowing headroom for future investment.
- 4.1.3 As a result of the housing benefit limitation scheme, rent increases above DWP rent limits do not produce extra income from tenants in receipt of housing benefit. At this stage however, details regarding the DWP limit under the new rent policy are yet to be confirmed. Approximately 72% of tenants are in receipt of housing benefit.
- 4.1.4 The WG draft proposal for 2016/2017 of its policy rent band for CCBC is
- Low end £79.16 per week
 - Mid Point £83.33 per week
 - High end £87.50 per week
- 4.1.5 CCBC's current average rent for 2015/2016 is £77.48 (52 week basis). A 1.4%% uplift on this average rent equates to £78.56 which is a 60p/wk shortfall from the low end rent band. Therefore a further increase of 0.8% is necessary to ensure CCBC is within its rent band and to comply with the new rent policy. The total minimum increase is therefore 2.2%. However, the WHQS business plan has assumed a 3.5% increase in rent to ensure the plan remains

viable so 3.5% would be recommended as a minimum increase which would create an average rent of £80.19 per week (52 week basis)/ £86.88 per week (48 week basis). This is equivalent to CPI plus £1.63 (52 week basis) or CPI plus £1.76 (48 week basis). The total weekly increase is £2.71 (52 week basis) or £2.94 (48 week basis).

- 4.1.6 WG have stated in their policy that “ *The rent policy allows you to apply the inflation plus £2 (per week) if you are aiming to move to a higher point within the Target Rent Band to meet your business plan commitments...*”
- 4.1.7 There is a transitional protection arrangement in place which ensures that rents cannot be increased by more than CPI plus 1.5% plus £2 for any individual tenant. This means that the maximum CCBC can increase its rent is 3.52% before the protection arrangement is compromised, which would create an average rent of £80.21 per week (52 week basis)/ £86.89 per week (48 week basis).
- 4.1.8 The current average rent for CCBC is £77.48 based on 52 weeks (£83.93 based on 48 weeks). The latest business plan submitted to WG includes a rent increase of 3.5% for 2016/17 and this has resulted in a £43.7m borrowing requirement in order to meet the WHQS by 2019/20. A rent increase of less than 3.5% will mean less income for the WHQS programme which will obviously result in increased borrowing. As part of the HRAS buy out there is an imposed borrowing cap of approx. £60m so there is limited flexibility to increase borrowing. Furthermore there has been some cost escalation in the WHQS programme that will require further borrowing to achieve the standard. If the borrowing levels go beyond the cap then the WHQS will be unaffordable.
- 4.1.9
- An increase of 2.2% would result in a £1.70 weekly increase to £79.18 on a 52 week basis (£1.85 per week to £85.78 on a 48 week basis). This is an additional rental stream of £963k that would be some £600k short of what is assumed in the current business plan resulting in a further borrowing requirement of £1m.
 - An increase of 3.5% would result in a £2.71 weekly increase to £80.19 on a 52 week basis (£2.94 per week to £86.88 on a 48 week basis). This is an additional rental stream of £1.5m, and meets the income requirement needed in the current business plan.
 - Both Increases are within the rent envelope (low end) for CCBC but only the 3.5% increase meets the current business plan requirements.
- 4.1.10 The Stock Condition Survey carried out in 2008 reported that high levels of investment are required to maintain the properties and meet the Welsh Housing Quality Standard. Experience has shown that significant variances will arise once the properties are surveyed and contract packages are specified and indications of cost escalation have emerged based on trends from tender prices and valuations. The small level of uncommitted borrowing that remains up to the borrowing cap will therefore be crucial in meeting these costs, and would be compromised if additional borrowing is committed to supplement a rent increase less favourable to the business plan.. A rent increase less than 3.5% would inevitably reduce the Council’s ability to manage and maintain the housing stock to the necessary standards, and as noted above failure to implement these increased charges would increase the shortfall in resources identified in the Housing Business Plan required to meet the WHQS by 2019/20 and maintain it thereafter. An increase above 3.5% would create more flexibility within the business plan and have a positive impact on the level of borrowing required to meet the WHQS but the maximum allowable under WG policy for 2016/17 is 3.52%.

4.2 Service Charges at Older Persons Housing (excluding utility charges)

- 4.2.1 These are applied to Sheltered Housing Officer assisted accommodation, of which there are three types: -

- Sheltered Housing with Sheltered Housing Officer assistance and communal facilities (962 units)
- Declassified Sheltered Housing schemes with no communal facilities (133 units)
- Tredegar Court extra care scheme (25 units)

4.2.2 Charges

Tenants currently pay a service charge in accordance with a banded system that was agreed as part of the Sheltered Housing review in 2013.

Sheltered Housing with Sheltered Housing Officer assistance operates within a Bronze, Silver or Gold banding depending on the individual assessed needs of the tenant. All charges include a support and a management element. The support element is met by Supporting People, and the management element is met by Housing Benefits, where tenants are eligible.

Recently declassified sheltered housing schemes operate under a reduced rate due to receiving fewer services than the sheltered schemes.

A 2% increase is intended to be applied to these charges in order to meet the requirements of the business plan.

Charge per Week (48 wk basis)	Current Charges £	Proposed Charges £
Bronze Band (De-classified)	10.11	10.31
Silver Band (De-classified)	12.51	12.76
Gold Band (De-classified)	16.01	16.33
Bronze Band (Baseline Service for everyone)	27.63	28.18
Silver Band	30.03	30.63
Gold Band	33.53	34.20

4.2.3 Tenants in receipt of benefit

75% of tenants who receive the Sheltered Housing Officer assisted services are in receipt of housing benefit.

77% of tenants in the declassified sheltered housing schemes are in receipt of housing benefits.

4.2.4 Financial Impact

The income generated from this service is difficult to predict as tenants are individually assessed to determine their banding, which can change depending on tenants individual circumstances. Currently for the sheltered schemes, 80% of tenants are assessed as Bronze band, 18% Silver band and 2% Gold band. The additional income will therefore be £26k.

For the declassified schemes, there are currently 88% assessed as Bronze and 12% assessed as silver. The additional income will therefore be £1k.

4.3 Tredegart Court Extra Care Scheme service charge

4.3.1 The Extra Care Scheme was not included as part of the sheltered review

4.3.2 Charges

The current charge is £63.98 per week and it is proposed to increase by 2% to £65.26 in line with the Councils current business plan.

4.3.3 Tenants in receipt of benefit

65% of tenants who receive this service are in receipt of benefit and therefore do not pay the charge.

4.3.4 Financial Impact

The proposed increase would generate additional annual income of £1.5k.

4.4 Meal Charges (Tredegart Court only)

4.4.1 Charges

Residents of Tredegart Court receive a hot 2 course meal at a cost of £4.64 per day. This is equivalent to a weekly charge of £32.48 or £35.19 when collected over 48 weeks. Catering DSO currently provide the service to the HRA.

Meal charges at similar extra care schemes In the Caerphilly Council area are substantially higher at more than £7 per day.

It is proposed to increase the charge by 2% in line with the Councils current business plan, which is equivalent to £35.89 per week, based on a 48 week collection or £4.73 per day.

4.4.2 Tenants in receipt of benefit

61% of tenants who receive meals are in receipt of housing benefit and will only pay a non-eligible amount. The non eligible amount for 2016/17 is £17.85 per week.

4.4.3 Financial impact

The proposed increase would generate additional income of around £1k which would be passported to the Catering DSO for providing the service.

4.5 Guest Room

4.5.1 Charges

A number of sheltered housing schemes have guest rooms and the charge to visitors is £18.00 per night plus VAT. It is not proposed to increase this charge this year as the charge is similar to other providers. Also there is an ongoing review of these rooms due to their

current low levels of use. Consideration is being given to a pilot project to reduce the guest room charges in a number of schemes with a view to them being utilised more frequently. We are also currently in consultation with tenants of a number of schemes regarding possible alternative uses of guest rooms and have recently converted two guest bedrooms into offices to improve facilities for privacy and support for tenants and their families.

4.5.2 Tenants in receipt of benefit

Guest room charges do not apply to tenants, and are not eligible for housing benefit.

4.5.3 Financial impact

No additional income will be generated.

4.6 **Garage Charges**

4.6.1 The Council has 943 garages in stock, of which 565 are currently let (72% are let to non-council tenants, 28% are let to council tenants). The current weekly rent is £7.80 and it is proposed to increase the charges by 2% in line with the Council's current business plan to £7.96 per week. A report has been approved by the Caerphilly Homes Task Group which recommended proposals to improve and rationalise our garage stock. The approved programme has led to a reduction in our garage stock and will result in improvements to our remaining stock. This work, which is ongoing has an impact on void levels as the garages must be vacated prior to commencement of works.

4.6.2 Tenants in receipt of benefit

Garage rents are not eligible for housing benefit and the majority (72%) of garage tenants are not council house tenants.

4.6.3 Financial impact

The increase will generate additional income of 7k.

5. **EQUALITIES IMPLICATIONS**

5.1 Equalities monitoring of tenants will continue to be an important source of information in order to ensure fairness, and also to highlight any direct impact the increases have on tenants who fall under one or more of the protected characteristics as defined by the 2010 Equality Act.. Any direct impact noted can lead to additional support and advice being offered or signposted in order to help those particular tenants.

6. **FINANCIAL IMPLICATIONS**

6.1 This report deals with the financial implications of the proposed rent increases which affects the HRA.

6.2 The impact of the Welfare Reform Act is not taken into consideration.

7. **PERSONNEL IMPLICATIONS**

7.1 The proposals contained in this report will not alter the current arrangements for the collection of housing revenue account monies.

8. CONSULTATIONS

- 8.1 All consultation responses have been reflected in this report. The report will be presented to Cabinet on the 3rd February 2016. An information report will also be presented to CHTG on the 18th February 2016.

9. RECOMMENDATIONS

- 9.1 Members are asked to consider and give a view on the following recommendations which will be presented to Cabinet on the 3rd February 2016;
- (a) Members agree as a minimum to apply a 3.5% increase per property from April 2016 to ensure compliance with the new rent policy and to maintain the viability of the current business plan.
 - (b) That the current rent setting policy agreed in December 1997 remains in place.
 - (c) The variable service charge at sheltered complexes with communal facilities be set at £28.18 (bronze service), £30.63 (silver service), and £34.20 (gold service) over a 48 week basis from April 2016.
 - (d) The variable service charge in the four declassified sheltered schemes without communal facilities be set at £10.31 (bronze service), £12.76 (silver service), and £16.33 (gold service) over a 48 week basis from April 2016.
 - (e) The service charge payable by residents of Tredegar Court be increased to £65.26 over a 48 week basis from April 2016.
 - (f) The meal cost at Tredegar Court be increased to £35.89 based on a 48 week basis from April 2016.
 - (g) The guest room charge for sheltered housing complexes are not increased from April 2016.
 - (h) The garage charges for Council and non-Council tenants increase to £7.96 based on a 48 week basis from April 2016.
 - (i) This report be submitted to Cabinet for consideration.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 Inflationary increases on providing all aspects of the housing service are experienced annually, however as the HRA cannot legitimately set a deficit budget, the loss of additional income will result in reduced resources being available to effectively manage and maintain the stock.
- 10.2 Housing benefit will cover the increased costs for the majority of the charges mentioned in this report. Failure to implement the increased charges proposed will result in the services received by those tenants being further subsidised by the rent payments of those tenants not receiving that service.
- 10.3 If charges are not increased annually it has a detrimental effect on subsequent years as higher increases are then needed to recover the shortfalls from previous years.
- 10.4 The Council's Business Plan relies on inflationary increases to remain viable.

11. STATUTORY POWER

11.1 Local Government Act 1972. This is a Cabinet function.

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Stephen Harris, Acting Head of Corporate Services
Cllr D Poole, Deputy Leader & Cabinet Member for Housing
David A. Thomas, Senior Policy Officer (Equalities and Welsh Language)
Gail Williams, Interim Head of Legal Services/Monitoring Officer

Background Papers (available on request):

Report to Policy and Resources Committee 20th January 2015 - Housing Revenue Account Charges
– 2015-2016

Welsh Government Rent Policy Guidelines

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POLICY AND RESOURCES SCRUTINY COMMITTEE – 19TH JANUARY 2016

SUBJECT: SMALL LOTS - REVIEW OF CONTRACT ARRANGEMENTS

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151 OFFICER

-
- 1.1 The report was considered by the Caerphilly Homes Task Group (CHTG) on the 10th December 2015 and proposed changes to the contract arrangements for external works in the Eastern Valleys; in addition the report sought the views of the Task Group prior to consideration by Policy and Resources Scrutiny Committee.
 - 1.2 The external works within the Eastern Valleys are being undertaken through a series of small lots contracts. Experience over the last 2 years has given rise to concerns that if continued reliance is placed on this method alone, there are significant risks that this part of the WHQS programme will not be delivered by 2020. A review of the contract arrangements has concluded that the external works on 2 large estates (Cefn Fforest and Ty Sign) should be undertaken by alternative means and there is an opportunity to link this with the procurement of new contract arrangements for external works in the Lower Rhymney Valley.
 - 1.3 The Task Group sought reassurance that sufficient contingency plans are implemented to ensure consistency and the continuation of the programme, in the event that contractors withdraw from the tender process.
 - 1.4 Following consideration and discussion, it was moved and seconded that the Caerphilly Homes Task Group recommended that the Policy and Resources Scrutiny Committee support the Review of Contract Arrangements in relation to Small Lots and recommend its adoption at Cabinet. By a show of hands this was agreed by the majority present.

RESOLVED that for the reasons contained in the Officers report the Caerphilly Homes Task Group recommend to the Policy and Resources Scrutiny Committee and Cabinet:

- (i) a reduction in the amount of work to be procured via small lots over the remaining period of the programme in view of the risks of not completing this by 2020,
- (ii) the external works on the Ty Sign and Cefn Fforest estates be incorporated within the procurement of new contract arrangements for external works in the Lower Rhymney Valley,
- (iii) the adoption of 2 value bands be supported for small lots contract packages over the remainder of the programme period, subject to review in light of tender returns,
- (iv) the Project Board continue to endorse the award of any small lot contract with a final tendered sum that exceeds the upper limit of either value band range where appropriate.

1.5 Members are invited to consider the report and the above recommendations.

Author: C. Evans, Committee Services Officer, Ext 4210.

Appendices:

Appendix 1 Caerphilly Homes Task Group Report – 10th December 2015



CAERPHILLY HOMES TASK GROUP – 10TH DECEMBER 2015

SUBJECT: SMALL LOTS – REVIEW OF CONTRACT ARRANGEMENTS

REPORT BY: CORPORATE DIRECTOR - COMMUNITIES

1. PURPOSE OF REPORT

- 1.1 To propose changes to the contract arrangements for external works in the Eastern Valleys. The report is seeking the views of CHTG prior to its presentation to Policy and Resources Scrutiny Committee and Cabinet.

2. SUMMARY

- 2.1 The external works within the Eastern Valleys are being undertaken through a series of small lots contracts. Experience over the last 2 years has given rise to concerns that if continued reliance is placed on this method alone there are significant risks that this part of the WHQS programme will not be delivered by 2020. A review of the contract arrangements has concluded that the external works on 2 large estates (Cefn Fforest and Ty Sign) should be undertaken by alternative means and there is an opportunity to link this with the procurement of new contract arrangements for external works in the Lower Rhymney Valley.

3. LINKS TO STRATEGY

- 3.1 The Welsh Housing Quality Standard is intended to ensure that all local authority and housing association homes are improved and maintained to achieve specified standards. It is a Welsh Government requirement that the WHQS is achieved by 2020.
- 3.2 The Single Integrated Plan 2013-2017 has a priority to “improve standards of housing and communities, giving appropriate access to services across the County Borough”.
- 3.3 The Council’s Local Housing Strategy “People, Property, and Places” has the following aims:
 “To provide good quality, well managed houses in communities where people want to live, and offer people housing choices which meet their needs and aspirations.”

4. THE REPORT

- 4.1 The contract structure for the delivery of the WHQS Programme was approved by CHTG/Cabinet Sub Committee in September 2012.
- 4.2 The new Public Contracts Regulations came into force in February 2015 and continue to provide the same option for disaggregation of spend into small contracts up to the value of £833,400 for works as long as the total value of all such contracts does not exceed 20% of the value of the main contract or contracts tendered for the same requirements. The application

of small contracts was seen as an opportunity for part of the WHQS Programme to be delivered by local companies with a beneficial effect on the local economy. It was estimated that the value of work that could be awarded under the small lots amounts to £17.5m. This was broadly the estimated value of external works in the Eastern Valleys.

- 4.3 It was envisaged that around 20 small contracts would be tendered on a more limited basis. There was a cautionary note at the time of the original report that there would need to be a limit on the overall numbers of contracts awarded due to the resource implications for procurement, contract preparation and management.
- 4.4 As the detail of the small lots contracts has developed it has become necessary to break the packages down into smaller value lots in order for the smaller Caerphilly based businesses to be able to tender for work. As a consequence over the first two years (2014/15 and 2015/16) there will be 21 contracts. With the estimated value of work to be awarded over the remaining 4 years of the programme, which includes a large spike in 2018/19, there will be a proliferation in the number of contracts to be procured and managed, possibly in the region of 30 to 40 contracts. There will be particular management issues on the two large estates of Ty Sign and Cefn Fforest where multiple contracts will be necessary. It is unlikely that existing staff resources will cope with this large increase in contracts which will have to be tendered and works completed within the four year timeframe 2016/17 to 2019/20.
- 4.5 Furthermore experience with the small lots contracts to date has raised a number of concerns. There have been 10 small lots contracts tendered to date. The aggregate cost of these 10 have a tendered value 60% higher than the Savills cost plan budget. This results in an average spend per property of £12,268. This compares with a cost plan average of £5,000 per property.
- 4.6 Contract packages are tendered on the basis of value bands and there has been a disappointing response to a number of the contracts that have been tendered. The construction sector is currently buoyant with many more opportunities available and there appears to be capacity problems within the market which is contributing to the reduced number of tenders being received, compounded by demand for skilled construction workers.
- 4.7 There have been time overruns on nearly all the contracts. At the end of October 2015 only one contract of 53 properties in Markham has been completed. Although 6 more contracts are due for completion by December 2015 they all form part of the 2014/15 programme.
- 4.8 The first contract for 2015/16 has been awarded for 21 properties in Ynysddu/Cwmmfelinfach. A further 11 contracts have still to be tendered for the 2015/16 small lots programme. These have been delayed due to the necessity to re-survey following the introduction of revised guidance for external works in light of concerns about cost escalation. The majority of the 2015/16 small lots will run into the 2016/17 financial year.
- 4.9 The original objectives of ensuring local contractors get the opportunity to tender for WHQS work remains an important aim. However, given the time pressure on delivering the WHQS programme in its entirety by March 2020 it is necessary to re-examine the practicality of delivering all the external works in the Eastern Valleys through the mechanism of small lots. With the large number of additional contracts forecast there is a big risk this will not be manageable within the staff resources currently available. Furthermore there would appear to be a cost premium to deliver works through a large number of small contracts and this may be difficult to sustain given the cost pressures on the programme generally.
- 4.10 The Ty Sign estate in Risca is scheduled for external works in 2016/17 (Lower) and 2018/19 (Upper) with a budget estimate of circa £6m affecting some 450 properties. To undertake this scale of work via small lots could involve 12 separate contracts all with associated resource implications for procurement, contract preparation and management. Given all the concerns highlighted leads to a conclusion that a different approach is now required that will provide greater certainty in respect of delivery by March 2020 and that will be simpler to administer

and less staff resource intensive.

- 4.11 Although the overall estimated value of work is much lower there will be similar challenges on the Cefn Fforest estate where 320 properties will have external works undertaken.
- 4.12 It is advocated that the small lots programme should be curtailed and be limited to the smaller estates in the Eastern Valley which can be more easily parcelled into smaller contracts. Different contract arrangements should be adopted for the Ty Sign and Cefn Fforest estates. There is an opportunity to incorporate these two estates within the procurement of new contract arrangements for external works in the Lower Rhymney Valley which will avoid the need for a completely separate contract procurement.
- 4.13 During 2015/16 the small lots contracts have been tendered within three value bands:-

Band	Value Range
A	£ 50,000 - £200,000
B	£200,001 - £400,000
C	£400,001 - £800,000

- 4.14 In addition there is a location restriction which only allows the participation of contractors that have a Constructionline profile which show a location of work or branch office located within Caerphilly County Borough.
- 4.15 In view of the proposed changes to the small lots that will reduce the overall value of work to be offered over the remaining years of the programme it is also proposed that the value bands be amended to:-

Band	Value Range
A	£ 50,000 - £300,000
B	£300,001 - £750,000

The threshold between Band A and Band B may be subject to adjustment in light of research of those companies registered on Constructionline.

- 4.16 As tendered costs have generally exceeded the pre-tender estimate some flexibility has been allowed at the top of Band B as the overall limit set by the Public Contracts Regulations cannot be exceeded.
- 4.17 The location restriction should remain for the residual value of the small lots work as the Ty Sign and Cefn Fforest estates will be opened to a wider market.
- 4.18 The WHQS Project Board will continue to be consulted in relation to the award of any small lots contract with a final tendered sum that exceeds the upper limit of either Value Band range recognising that the maximum value of any small lot cannot exceed £833,400 and the decision to proceed will be made by the relevant officer under Delegated Powers.
- 4.19 A fresh approach should be made to the local market and all interested contractors will need to undertake a PQQ notwithstanding if one has previously been completed.
- 4.20 Constructionline will be used to generate the list of eligible contractors who will be invited to participate in the new selection process. On completion of the new selection process the value band contractor lists will be put in place for the remaining four years of the programme but will be subject to review in the event of limited tender returns.

5. EQUALITIES IMPLICATIONS

- 5.1 An EqIA screening has been completed in accordance with the Council's Equalities

Consultation and Monitoring Guidance and no potential for unlawful discrimination and for lower level or minor negative impact have been identified, therefore a full EqlA has not been carried out.

6. FINANCIAL IMPLICATIONS

- 6.1 The estimated value of external works in the Eastern Valleys (based on the Savills cost plan) for the period 2016/17 to 2019/20 is £10.5m. If the Ty Sign and Cefn Forest estates are removed from the small lots programme there would be a reduction in estimated value of 65% to £3.6m. This would require a much smaller number of contracts to be awarded over the four year period to March 2020. The financial implications relating to individual contracts will be addressed at the time work packages are tendered.

7. PERSONNEL IMPLICATIONS

- 7.1 The proposed changes would result in a more manageable number of small lots contracts and place less strain on the staff resources within the Procurement and WHQS teams. This will help to reduce the risks of this part of the WHQS Programme not being completed by March 2020.

8. CONSULTATIONS

- 8.1 Comments received have been taken into consideration within the report.

9. RECOMMENDATIONS

- 9.1 The Caerphilly Homes Task Group recommend to the Policy and Resources Scrutiny Committee and Cabinet a reduction in the amount of work to be procured via small lots over the remaining period of the programme in view of the risks of not completing this by March 2020.
- 9.2 The external works on the Ty Sign and Cefn Fforest estates be incorporated within the procurement of new contract arrangements for external works in the Lower Rhymney Valley.
- 9.3 The adoption of 2 value bands is supported for small lots contract packages over the remainder of the programme period, subject to review in light of tender returns.
- 9.4 The Project Board continue to endorse the award of any small lot contract with a final tendered sum that exceeds the upper limit of either value band range where appropriate.

10. REASON FOR RECOMMENDATIONS

- 10.1 To agree a revised strategy for the small lots over the remaining programme period 2016/17 to 2019/20.

11. STATUTORY POWER

- 11.1 Housing Acts 1985, 1996, 2004. This is a Cabinet function.

Author: P G Davy, Head of Programmes

Email: davyvg@caerphilly.gov.uk, Tel: 01443 8664208

Consultees: Cllr D V Poole - Deputy Leader and Executive Member for Housing
Cllr B Jones - Deputy Leader and Executive Member for Corporate Services

C Harry	-	Corporate Director Communities
N Scammell	-	Acting Director of Corporate Services and S151 Officer
S Couzens	-	Chief Housing Officer
M Lloyd	-	Deputy Head of Programmes
C Roden	-	WHQS Project Manager
S Martin	-	WHQS Assistant Project Manager
J Roberts-Waite		Strategic Co-ordination Manager
L Allen	-	Principal Accountant
R Lewis	-	Systems and Performance Manager
L Lucas	-	Head of Procurement
N Abbott	-	Procurement Officer
J Ford	-	Systems Support Officer
G Williams	-	Interim Head of Legal Services & Monitoring Officer

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POLICY AND RESOURCES SCRUTINY COMMITTEE – 19TH JANUARY 2016

SUBJECT: LEASEHOLDER CHARGES AND CONSULTATION ARRANGEMENTS

REPORT BY: CORPORATE DIRECTOR - COMMUNITIES

1. PURPOSE OF REPORT

- 1.1 This report responds to a request by a member of the Policy and Resources Scrutiny Committee for information on leaseholder charges and consultation arrangements.

2. SUMMARY

- 2.1 The report outlines the types and proportion of charges payable by leaseholders, the options available for payment of charges and the process followed to comply with the legal requirement to consult leaseholders when charges for works are likely to exceed set thresholds.

3. LINKS TO STRATEGY

- 3.1 The Single Integrated Plan 2013-17 has a priority to 'improve standards of housing and communities giving appropriate access to services across the county borough'.
- 3.2 The Local Housing Strategy has the aim of "providing good quality, well managed homes in communities where people want to live and offer people housing choices which meet their needs and aspirations "

4. THE REPORT

- 4.1 There are currently 417 leaseholders within the Council's housing stock who have bought their property (a flat) under the Right to Buy scheme. Approximately 50% of these properties are sub-let bringing in rental income for the leaseholder. The Council has continuing responsibilities to maintain the external structure and communal areas of the blocks of flats. The leaseholder has responsibility for maintaining the inside of the flat. A list of general responsibilities is attached as Appendix 1.

4.2 Charges

The items that leaseholders can be charged for are determined by their lease. The lease also stipulates the share that the leaseholder has to contribute towards charges. A leaseholder in a block of four would pay one quarter, in a block of six, one sixth and so on. This contribution is towards charges for **any** repairs to the outside of the block and to communal areas within the block. For example, if there is a repair to guttering above a tenant's flat in a block of four the leaseholder will pay a quarter. If the guttering above a leaseholder's flat is replaced the

leaseholder will only pay one quarter. Charges are billed annually for response repairs, ground rent, building insurance and a management fee on a service charge bill that is usually issued each September.

Response repairs used to be re-charged as an average cost according to the small, medium and large job rates but are now charged using the schedule of rates as this will provide a more accurate charge for the actual work undertaken.

Ground rent is currently a maximum of £10 per year and the current management fee of £10 per year is very low compared with other social landlords (some charge £80-£100 per year). This management fee is currently under review.

Major maintenance works are billed separately at the end of the contract. Again the items that can be charged for are determined by the lease. However, there are variations in the types of lease in existence. Mainly, but not exclusively, leases pre 1996 do not allow the Council to charge for any improvements. Leases after 1996 do allow the Council to charge for improvements. There is no universally accepted definition for what constitutes an improvement and what does not; however generally if something was repaired or if an item was part of the structure before, this would not be an improvement. The administration charge for major works is levied at 10% this also is currently under review but compares favourably with fees charged by other services.

With the external works undertaken as part of the Welsh Housing Quality Standard (WHQS) investment programme, major works costs could be substantial in some cases as they could include rectification of structural defects, re-roofing, re-rendering, replacement doors, paths, fences. There are, however, payment options in place to assist leaseholders with these costs which are explained below in item 4.4

4.3 Consultation

The consultation arrangements for leaseholders are set out in legislation, mainly the Landlord and Tenant Act 1985. The processes to be followed have a specific order and timescale. If any work is likely to result in a re-charge of £250 or more for an individual leaseholder the consultation process must be followed; if it is not, the amount charged is capped at £250 irrespective of the actual cost of the work. The consultation process can only be by-passed if an emergency repair is needed.

Leaseholders have an opportunity to nominate contractors for consideration for any work where their individual contribution would be estimated at more than £250 or the estimate for their block is more than £1,000 and providing these contractors are considered suitable they could be included within our procurement process. This is included in the Notice of Intention (example attached as Appendix 2). However, contractors have to meet the same requirements as those who would be appointed by the Council.

Major works are tendered competitively and leaseholders are given information on the quotes returned, their estimated contribution and the appointed contractor in the Section 20 Notice sent out before works start (example attached as Appendix 3).

4.4 Payment Options

Leaseholders already have the opportunity to pay their bills over 12 months interest free for service charge bills (which includes response repairs) and 36 months interest free for major works bills. There is also a statutory requirement to offer a loan with interest in certain circumstances. As mentioned above, with the ongoing WHQS programme, leaseholders could potentially find themselves with high costs to re-pay. It is therefore proposed to expand the payment options to include discretionary loans with interest payable and loans repayable on future sale or assignment of the property.

Each case will need to be looked at individually. In the case of loans repayable on sale or assignment, there would need to be checks for any other charges secured against the property and the likelihood of there being sufficient equity in the property to recover the charges. In terms of payment options, a distinction will be made between leaseholders who live at the property and leaseholders who sub-let. If the property is sub-let the leaseholder receives an income which it may be appropriate to consider is available to assist with the costs of repairs and maintenance.

Even with extended payment options, where there are high cost works this may still leave some leaseholders with no ability to pay. In these cases an option could be to buy back the property. If a need is identified, this option will need to be the subject of a future more detailed report.

5. EQUALITIES IMPLICATIONS

5.1 There are no equalities issues arising from this report, as it is for information only.

6. FINANCIAL IMPLICATIONS

6.1 There are no financial implications arising from this report, as it is for information only.

7. PERSONNEL IMPLICATIONS

7.1 There are no personnel implications arising from this report, as it is for information only.

8. CONSULTATIONS

8.1 The views of consultees listed have been incorporated within this report.

9. RECOMMENDATIONS

9.1 Members are asked to note the information provided.

10. REASONS FOR THE RECOMMENDATIONS

10.1 To inform members of the Policy and Resources Committee of the background to leaseholder charges and consultation.

11. STATUTORY POWER

11.1 Landlord and Tenant Act 1985.

Author: Mandy Betts, Tenant and Community Involvement Manager
Consultees: Cllr. David Poole, Deputy Leader & Cabinet Member for Housing
Phil Davy, Head of Programmes
Shaun Couzens, Chief Housing Officer
Nicole Scammell, Acting Director of Corporate Services and S151 Officer
Fiona Wilkins, Public Sector Housing Manager
Lesley Allen, Group Accountant
Laura Jones, Leaseholder Services Officer
Allison Davies, Leaseholder Services Officer
David A. Thomas, Senior Policy Officer (Equalities and Welsh Language)

Appendices:

- Appendix 1 of 3 Leaseholder Responsibilities
- Appendix 2 of 3 Notice of Intention
- Appendix 3 of 3 Section 20 Notice

4 REPAIR RESPONSIBILITIES

In your lease there are a number of conditions that you have to follow in relation to repairs, decorations and alterations. In general, CCBC, as the freeholder, undertakes the repair of everything connected with the structure, fabric, exterior and interior communal areas, communal fixtures and fittings and service installations (i.e. gas, electricity and water) up to but not including inside your home. CCBC aims to carry out repairs promptly and effectively.

Responsibility for repairs

A summary of CCBC's and your repair responsibilities is shown below:

● CCBC IS RESPONSIBLE FOR –

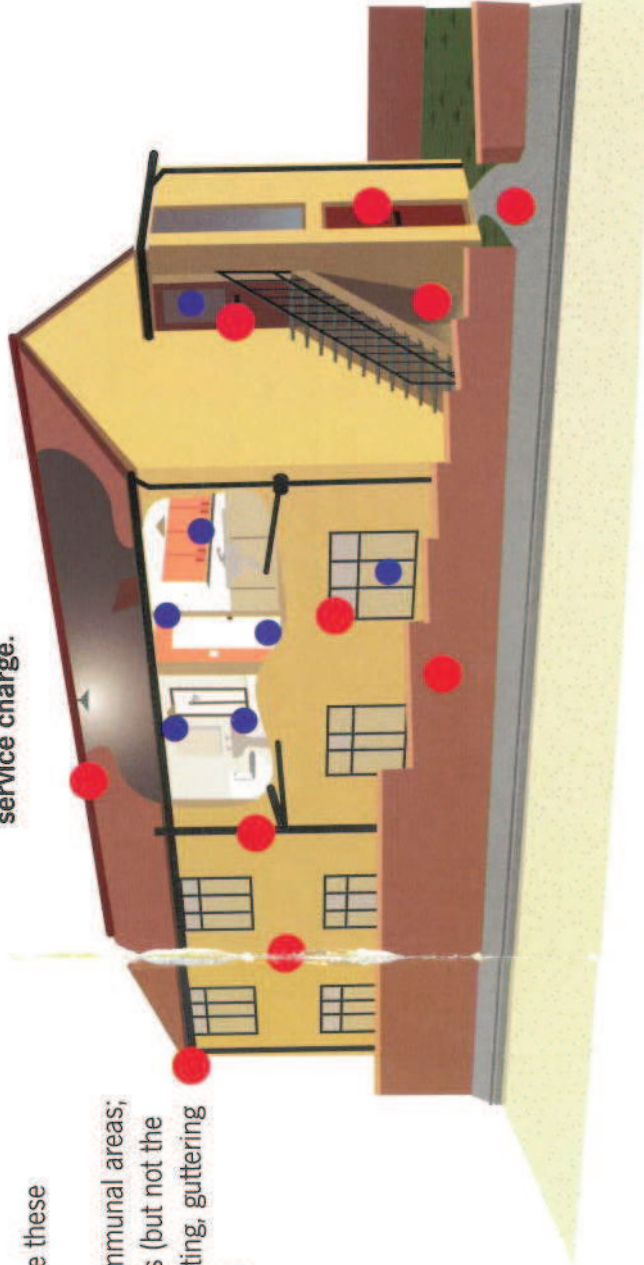
- All communal areas, both internal and external;
- All communal fixtures and fittings - including communal TV Aerials, communal fire protection systems, communal door entry systems, communal water tanks and communal soil pipes;
- All services and ancillary equipment on the scheme, but not within individual homes;
- All pathways, driveways, fences and boundary walls where these serve the block;
- All external decorations and the decoration of internal communal areas;
- All structure and fabric of the building - including windows (but not the glass) communal windows, communal electricity and lighting, guttering and down pipes (on flats) and communal refuse facilities;
- All external and structural repairs to the chimney, and external repairs to the flues.

● YOU ARE RESPONSIBLE FOR –

- Keys;
- Freezing or bursting of internal pipes;
- Radiators;
- Sanitary fittings including internal pipes and traps;
- Fuses, light fittings, other electrical or gas fittings and appliances;
- Internal decoration;
- The sweeping of the chimney;
- Internal floor coverings, including screeding, floor tiles, carpets and vinyl;
- Internal non load-bearing walls and wall coverings e.g., plaster, wall tiles;
- Internal fittings, such as glazing, curtain rails, fitted storage units, kitchen units, door furniture and internal doors;
- All damage caused by your household and visitors.

If you are responsible for the repair, you must make your own arrangements for the repair to be carried out and paid for.

If CCBC is responsible, we will arrange for a contractor to carry out the repair and will usually collect your share of the payment through your service charge.



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Pontllanfraith House,
Pontllanfraith,
Blackwood,
NP12 2YW

Ty Pontllan-fraith
Pontllan-fraith
Coed Duon
NP12 2YW

Your Ref/Eich Cyf:	
Our Ref/Ein Cyf:	
Contact/Cysylltwch	Mrs A Davies
Telephone/Ffon:	01495 235387
E Mail/E Bost:	daviea35@caerphilly.gov.uk
Date/Dyddiad:	15 th May 2015

Dear

NOTICE OF INTENTION TO CARRY OUT WORKS

It is the intention of Caerphilly County Borough Council to enter an agreement to carry out works in respect of which we are required to consult leaseholders. Section 20 of the Landlord and Tenant Act 1985 (as amended by the Commonhold and Leasehold Reform Act 2002) provides that a landlord must consult leaseholders who are required under the terms of their leases to contribute (by payment of service charges) to costs incurred under qualifying works, where the contribution of any one leaseholder will **exceed** £250.

The works to be carried out under the agreement are as follows: -

Removal of chimney stack at block.

A description of the works to be carried out under the agreement may be inspected by contacting: **Allison Davies on 01495 235387 to arrange an appointment with an inspector in order to discuss these works.**

We consider it necessary to carry out the works because:

The Council is required to maintain the structure and exterior of the block to a satisfactory standard.

We invite you to make **written** observations in relation to the proposed works by sending them to: **Tenant and Community Involvement Team, Caerphilly County Borough Council, Pontllanfraith House, Pontllanfraith, Blackwood, NP12 2YW**

Observations must be received within the consultation period of 30 days from the date of this notice. The consultation period will end on: **15th June 2015**

We also invite you to propose, within 30 days from the date of this notice, the name of a person from whom we should try to obtain an estimate for the carrying out of the proposed works described above.

Please note that any proposed contractor must comply with the Council's approved contractor criteria.

I trust this information is sufficient. If however you wish to discuss this matter further please do not hesitate to contact me.

Yours sincerely

Mrs A Davies
Leaseholder Services Officer



Pontllanfraith House,
Pontllanfraith,
Blackwood,
NP12 2YW

Ty Pontllan-fraith
Pontllan-fraith
Coed Duon
NP12 2YW

Your Ref/Eich Cyf: N/A
Our Ref/Ein Cyf:
Contact/Cyslltwch â: Mrs A Davies
Telephone/Ffon: 01495 235387
E Mail/E Bost: daviea35@caerphilly.gov.uk
Date/Dyddiad: 19th August 2015

Dear

SECTION 20 NOTICE IN RESPECT OF REMOVAL OF CHIMNEY STACK

As previously advised the council intends to carry out maintenance work to your block of flats, as a result according to the regulations set out in the Landlord & Tenant Act 1985 the council has a responsibility to carry out a full consultation exercise with Leaseholders, this includes issuing a Section 20 Notice. This notice is given pursuant to the notice of intention to carry out works issued on 20th February 2015. The consultation period in respect of the notice of intention ended on 23rd March 2015.

In accordance with Section 20 of the Landlord and Tenant Act 1985, reputable contractors were invited to submit tenders to carry out this work. Details of the tenders received are provided below: -

<u>Contractor</u>	<u>Tender Figures (ex VAT)</u>
C G Brickwork	£1420.00
Millennium Builders	£1491.00
MSH Builders	£1797.00

The work specifications are available for inspection at my office. The council intends to place an order with the lowest tendering contractor, MSH.

We did not receive within the consultation period any written observations in relation to the notice of proposals given on 15th May 2015 .

A copy of the tender information sheet is attached for your information. We invite you to make **written** observations in relation to any of the estimates above by sending them to: Leaseholder Services Officer, Caerphilly County Borough Council, Pontllanfraith House, Pontllanfraith, Blackwood NP12 2YW.

Under the terms of your lease, you are required to contribute towards the cost of this work by one sixth (1/6) of the total cost. Details of your estimated contribution are set out below: -

Total cost of work to block	£	1420.00
Your contribution (1/6)	£	236.67
10% Administration fee	£	23.67

Total Estimated Contribution £ 260.34

These figures are estimates and the actual costs may be higher or lower. The estimate is intended to give you a close idea of the amount you will be charged, but it is not binding and the invoice you will receive following completion of the work will be based on actual costs incurred.

You are invited to submit any observations you may have relating to the proposed works or estimates within 30 days of the date of this notice. These **must be in writing to me at the above address by Friday 18th September 2015.**

Please do not hesitate to contact me if you require further information.

Yours sincerely

Mrs A Davies
Leaseholder Services Officer



POLICY AND RESOURCES SCRUTINY COMMITTEE – 19TH JANUARY 2016

**SUBJECT: ROWAN PLACE – PROGRESS REPORT AND SENSITIVE LETTINGS
POLICY**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151
OFFICER**

-
- 1.1 The report was considered by the Caerphilly Homes Task Group (CHTG) on the 10th December 2015 and provided an update on the progress made in relation to delivering a targeted regeneration programme in Rowan Place, Rhymney. It also sought the views of the Task Group on the adoption of a sensitive lettings policy and introductory tenancies, (specifically in relation to the Rowan Place flats) prior to its consideration at Policy and Resources Scrutiny Committee and thereafter, Cabinet.
 - 1.2 Following the identification of severe damp and external defects to the fabric of the properties in Rowan Place, the Council approved a budget totalling £4.2m to undertake a comprehensive refurbishment of the 72 Council owned properties. The programme underway in Rowan Place has been enhanced by a further £720,000 from the Welsh Government as part of its Vibrant and Viable Places programme which will facilitate enhancements to the environment within Rowan Place.
 - 1.3 In previous years, Rowan Place has been plagued by high levels of anti social behaviour, crime and drug and alcohol abuse. As a consequence, and for the benefit of existing tenants, the Council proposes to introduce introductory tenancies for new allocations within Rowan Place. Introductory tenancies would give all new tenants a 12 month trial period before they would be eligible to be awarded a secure tenancy and the tenancy could be brought to an end, during the introductory period, if the tenant fails to adhere to the requirements. This will ensure that anyone behaving inappropriately can be removed from the tenancy quickly.
 - 1.4 A Sensitive Lettings Policy, which can be applied in addition to the Introductory tenancies to only a limited number of properties (existing tenants will not be affected), would cover all 2 bedroom flats in Rowan Place, Rhymney. Caerphilly Homes Allocations Scheme allows for the allocation of families with 1 or 2 children and childless couples. Due to the size of the second bedroom only families with 1 child, or families with access will be considered and to reduce excessive child density in the area, childless couples may take precedence over families with one child.
 - 1.5 A strict set of criteria has been devised and any applicant that meets one of the criteria would not be offered a tenancy on one of the 2 bedroom flats in Rowan Place, for a period of at least 2 years. In addition, prospective tenants will be required to satisfy an income/expenditure assessment of their affordability of the tenancy and where two or more applicants have equal priority, preference would be giving to applicants who are in employment or training.

- 1.6 The Task Group highlighted the current issue with voids within the area and whether the implementation of the Sensitive Lettings Policy would compound the issue. It was noted that the policy aims to improve the area and peoples perspective. It is unclear, until the Policy is in place, whether the number of voids would increase, however a review would be conducted 12 months following completion to determine its effectiveness.
- 1.7 Following consideration and discussion, it was moved and seconded that the Caerphilly Homes Task Group recommended that the Policy and Resources Scrutiny Committee support the Sensitive Lettings Policy, including introductory tenancies for new tenants in Rowan Place, and recommend its adoption at Cabinet. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the Officers report the Caerphilly Homes Task Group recommend to the Policy and Resources Scrutiny Committee and Cabinet, the adoption of the sensitive lettings policy, including introductory tenancies for new tenants in Rowan Place, as set out in the Appendix to the report.

- 1.8 Members are invited to consider the report and the above recommendation.

Author: C. Evans, Committee Services Officer, Ext 4210.

Appendices:

Appendix 1 Caerphilly Homes Task Group Report – 10th December 2015



CAERPHILLY HOMES TASK GROUP – 10TH DECEMBER 2015

SUBJECT: ROWAN PLACE – PROGRESS REPORT & SENSITIVE LETTINGS POLICY

REPORT BY: CORPORATE DIRECTOR – COMMUNITIES

1. PURPOSE OF REPORT

- 1.1 To provide an update on the progress made in relation to delivering a targeted regeneration programme in Rowan Place, Rhymney.
- 1.2 To consider the adoption of a sensitive lettings policy and introductory tenancies specifically in relation to Rowan Place.
- 1.3 The report is seeking the views of the Caerphilly Homes Task prior to its presentation to Policy and Resources Scrutiny Committee and thereafter, Cabinet.

2. SUMMARY

- 2.1 Following the ballot in February 2012, the Council agreed that it would deliver the promises made in its Offer document to tenants and deliver WHQS by 2019/2020. It also gave a commitment to delivering numerous additional benefits which were also outlined in the Offer Document, which would add value to the WHQS programme and help deliver the Council's ambition of using the £210 million WHQS investment as a catalyst to Transform Homes, Lives and Communities.
- 2.2 Rowan Place is located within the Twyn Carno ward and is part of the Lower Super Output Area (LSOA) known as Twyn Carno 1.
- 2.3 Rowan Place comprises 82 properties of which 6 are owner occupied and 4 are leasehold.
- 2.4 For many years the area of Rowan Place in which the flats are located has been regarded locally as a 'no go zone' and largely been home to transient single people and families with particular challenges including drug and alcohol issues, criminal records and anti social behaviour issues.
- 2.5 Following the identification of severe damp and external defects to the fabric of the properties in Rowan Place, the Council approved expenditure totalling £4.2m.
- 2.6 The Council also agreed to refurbish the existing void properties to a standard over and above the normal refurbishment of voids programme (to include decoration throughout, skirting boards, new internal doors and architraves etc) and to create a multi agency partnership comprising representatives from Communities First, GAVO, Gwent Police, Drug and Alcohol Services and the ABHB to foster greater collaboration to address the key issues which are prevalent within the area and to help tackle poverty.

- 2.7 The programme underway in Rowan Place has been enhanced by a further £720,000 from the Welsh Government as part of its Vibrant and Viable Places programme which will facilitate enhancements to the environment within Rowan Place.

3. LINKS TO STRATEGY

- 3.1 The Welsh Housing Quality Standard (WHQS) is intended to ensure that all local authority and housing association homes are improved and maintained to achieve specified standards.
- 3.2 The Council is committed to ensuring that the WHQS investment transforms not only homes but also lives and communities.
- 3.4 The Council's Local Housing Strategy "People, Property, and Places" has the following aim:
"To provide good quality, well managed houses in communities where people want to live, and offer people housing choices which meet their needs and aspirations."
- 3.5 The programme underway in Rowan Place is coterminous with the aims of the Council's Single Integrated Plan 2013-2017 which aims to 'improve standards of housing and communities, giving appropriate access to services across the county borough' and the recently approved, Caerphilly Poverty Strategy 2015.

4. THE REPORT

- 4.1 A report on Rowan Place was presented to the CHTG in October 2013 and May 2014. The reports drew attention to various social problems, low demand and long term voids in addition to severe damp and extensive defects to the external fabric of the properties in Rowan Place.
- 4.2 In May 2014 the CHTG agreed to bring forward external works programmed for 2016/17 in parallel with the internal works to commence in 2014/15.
- 4.3 CHTG and the Cabinet Sub Committee also agreed to accept the estimated additional cost associated with undertaking the comprehensive refurbishment of Council homes suffering from severe damp within Rowan Place and to establish a multi agency task group to tackle the social problems prevalent within the area.
- 4.4 In October 2014 tenants were visited following a survey and informed of the works that would be undertaken to their homes.
- 4.5 To date, internal works have been completed to 16 bungalows and 14 flats.
- 4.6 Internal works are ongoing in 9 others with 3 more planned throughout October and 8 due to start in November (completion anticipated in February 2016).
- 4.7 The 9 flats remaining are within blocks which include leaseholders. External surveys have been undertaken on leaseholder properties in order to determine the charge that will result. The leaseholder consultation undertaken by the leaseholder services officer has started with a view to commencing works to leaseholder properties in February 2016 through to May 2016.
- 4.8 Internal works to 7 houses are scheduled for surveying in November.
- 4.9 Surveys to owner occupied properties have been undertaken in order to determine the scope of external works. The cost of external works to owner occupied homes will be funded via the Welsh Government's Vibrant and Viable Places programme.

- 4.10 The majority of external works to the bungalows have been completed. External wall insulation has been completed in 5 blocks of flats and groundworks are on-going to 3. Roof work has started on 6 of the houses.
- 4.11 The site is scheduled for completion by October 2016.
- 4.12 Bats were found nesting within the site hence a bat license was applied for during August 2014 and approved in November 2014. The license permits roofing works to take place only between October and March hence any further work will need to be programmed carefully in order to take account of the license requirements.
- 4.13 7 existing tenants have been permanently transferred from homes awaiting refurbishment to newly refurbished flats.
- 4.14 There are currently 22 voids within the site. This is due to the fact that the Council has chosen not to let properties within Rowan Place until a formal sensitive lettings policy has been adopted.
- 4.15 In previous years, Rowan Place has been plagued by high levels of anti social behaviour, crime and drug and alcohol abuse. As a consequence and for the benefit of existing tenants, the Council proposes to introduce introductory tenancies for new allocations within Rowan Place.
- 4.16 Research has shown that introductory tenancies are most effective when used as part of a range of initiatives rather than as a policy 'tool'. When used as part of an integrated, multi agency approach to support tenants they have helped improve community safety and quality of life by reducing crime, nuisance behaviour and fear of crime'.
- 4.17 Introductory tenancies would give all new tenants a 12 month trial period before they would be eligible to be awarded a secure tenancy. The tenancy could be brought to an end during the introductory period if the tenant fails to adhere to the requirements contained within the appendix attached. They can be brought to an end within the trial period if a Court issues a possession order. This will ensure that anyone behaving inappropriately can be removed from the tenancy quickly.
- 4.18 In practice, the policy will only apply to a limited number of properties. Existing tenants will not be affected and will carry on with their secure tenancy.
- 4.19 Appendix 1 attached will apply only to the two bedroom flats in Rowan Place. The Appendix outlines the circumstances in which a tenancy may or may not be offered.
- 4.20 Caerphilly Homes Allocations Scheme allows for the allocation of families with 1 or 2 children and childless couples. Due to the size of the second bedroom only families with 1 child, or families with access will be considered and to reduce excessive child density in the area, childless couples may take precedence over families with one child.
- 4.21 Any applicant that meets one of the following criteria will be refused a tenancy:
- Is known to have been involved in anti-social behaviour in the last 2 years
 - Is unable to demonstrate an ability to sustain a tenancy for a minimum period of the last 12 months. References may/will be taken up which will include from private landlords/hostels.
 - Has an unspent criminal conviction
 - Has convictions for drug dealing
 - Has been convicted of, or has been held responsible for criminal damage or arson within the last 12 months
 - Has a history of chaotic behaviour
 - Has drug or alcohol related support needs unless on a rehabilitation programme –

continuing on the programme will be an additional condition of tenancy

- Has high support needs that may affect their ability to sustain a tenancy, and is not engaging with support. If there are high support needs but support is in place, fully engaging with the support will be an additional condition of tenancy.
- Applicants or members of the household who were former tenants of the council and who have excessive outstanding rent arrears and/or recharges that makes the repayments together with current rent and other charges unaffordable.

- 4.22 To ensure that prospective tenants are not financially disadvantaged they will be required to satisfy an income/expenditure assessment of their affordability of the tenancy.
- 4.23 Where two or more applicants have equal priority, preference will be given to applicants who are working or in training.
- 4.24 The tenancy will become secure after 12 months if there are no breaches.
- 4.25 The eviction procedure will mirror that of the procedure for termination of a demoted tenancy and therefore there will be opportunities for decisions to be reviewed prior to eviction.
- 4.26 The Sensitive Lettings Policy will be reviewed after 12 months and a process developed to underpin delivery. Depending on demand for these properties, there is a potential for increased void periods due to the proposal for sensitive lettings.
- 4.27 An on-going dialogue between the Council, tenants and residents is underway in Rowan Place. Tenants and residents have indicated on numerous occasions that they do not wish to see a return to the situation that prevailed prior to the Council's investment programme in the area whereby anti social behaviour and crime was a common occurrence.
- 4.28 The work underway within Rowan Place and the events that have taken place at the show flat has generated some interest from new and existing tenants located in Rhymney and elsewhere within the county borough. The area housing team have been unable to allocate newly refurbished homes until the sensitive letting policy attached as Appendix 1 is approved.

5. EQUALITIES IMPLICATIONS

- 5.1 An Equality Impact Assessment has been completed in accordance with the Council's Strategic Equality Plan and is attached as Appendix 2 for Information.

6. FINANCIAL IMPLICATIONS

- 6.1 There are no direct financial implications resulting from the report.

7. PERSONNEL IMPLICATIONS

- 7.1 There are no direct personnel implications arising from the report.

8. CONSULTATIONS

- 8.1 The views of consultees listed are incorporated within the report.
- 8.2 Informal consultation has been undertaken with tenants and residents within the area who have strongly indicated that they do not wish to see a return to the situation in the area that prevailed before the start of the investment programme.

9. RECOMMENDATIONS

- 9.1 The Caerphilly Homes Task Group recommend to Policy and Resources Scrutiny Committee and Cabinet the adoption of the sensitive lettings policy including introductory tenancies for new tenants in Rowan Place as set out in the Appendix to the report.

10. REASON FOR RECOMMENDATIONS

- 10.1 **To help deliver the Council's ambition of using the WHQS programme as a catalyst to transform homes, lives and communities.**

11. STATUTORY POWER

- 11.1 Housing Acts and Local Government Acts. This is a Cabinet Sub Committee function.

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Debbie Bishop, Area Housing Manager
Telephone: 01443 873519/ bishod@caerphilly.gov.uk)

Consultees: Cllr. David Poole, Deputy Leader & Cabinet Member for Housing
Cllr. Barbara Jones, Deputy Leader and Cabinet Member for Corporate Services
Cllr Ken James, Cabinet Member for Regeneration, Planning & Sustainable Development
Cllr Carl Cuss, Twyn Carno Ward Member
Christina Harray, Corporate Director Communities
Shaun Couzens, Chief Housing Officer
Gail Williams, Interim Head of Legal Services
Nicole Scammel, Interim Director of Corporate Services and S151 Officer
Phil Davy, Head of Programmes
Marcus Lloyd, Deputy Head of Programmes
Pauline Elliott, Head of Regeneration and Planning
Tina McMahon, Community Regeneration Manager
Alan Edmunds, Project Manager

Appendices:

Appendix 1: Rowan Place - Draft Sensitive Lettings Policy

Appendix 2: Equality Impact Assessment

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ROWAN PLACE – DRAFT SENSITIVE LETTINGS POLICY

1. The sensitive lettings policy covers all 2 bedroom flats in Rowan Place, Rhymney. Caerphilly Homes Allocations Scheme allows for the allocation of families with 1 or 2 children and childless couples. Due to the size of the second bedroom only families with 1 child, or families with access will be considered and to reduce excessive child density in the area, childless couples may take precedence over families with one child.
2. Any applicant that meets one of the following criteria will be bypassed and not offered a tenancy of the 2 bed flats in Rowan Place for a period of at least two years if the applicant:
 - Is known to have been involved in anti-social behaviour in the last 2 years
 - Is unable to demonstrate an ability to sustain a tenancy for a minimum period of the last 12 months. References may/will be taken up which will include from private landlords/hostels.
 - Has an unspent criminal conviction
 - Has convictions for drug dealing
 - Has been convicted of, or has been held responsible for criminal damage or arson within the last 12 months
 - Has a history of chaotic behaviour
 - Has drug or alcohol related support needs unless on a rehabilitation programme – continuing on the programme will be an additional condition of tenancy
 - Has high support needs that may affect their ability to sustain a tenancy, and is not engaging with support. If there are high support needs but support is in place, fully engaging with the support will be an additional condition of tenancy.
 - Applicants or members of the household who were former tenants of the council and who have excessive outstanding rent arrears and/or recharges that makes the repayments together with current rent and other charges unaffordable.
3. All prospective tenants will be required to satisfy an income/expenditure assessment of their affordability of the tenancy.
4. Where two or more applicants have equal priority, preference will be given to applicants who are working or in training.
5. Any current tenant of Caerphilly Homes who transfers into Rowan Place will continue on a secure tenancy. However all other tenancies will commence on a 12 month introductory tenancy in order that any tenant who behaves inappropriately can be removed from the tenancy quickly.

6. The tenancy will become secure after 12 months if there are no breaches.
7. The eviction procedure will mirror that of the procedure for termination of a demoted tenancy and therefore there will be opportunities for decision to be reviewed prior to eviction.
8. The Sensitive Lettings Policy will be reviewed after 12 months.

EQUALITY IMPACT ASSESSMENT FORM

December 2014

THE COUNCIL'S EQUALITIES STATEMENT

This Council recognises that people have different needs, requirements and goals and we will work actively against all forms of discrimination by promoting good relations and mutual respect within and between our communities, residents, elected members, job applicants and workforce.

We will also work to create equal access for everyone to our services, irrespective of ethnic origin, sex, age, marital status, sexual orientation, disability, gender reassignment, religious beliefs or non-belief, use of Welsh language, BSL or other languages, nationality, responsibility for any dependents or any other reason which cannot be shown to be justified.

NAME OF NEW OR REVISED PROPOSAL*	Rowan Place Sensitive Lettings and Introductory Tenancies
DIRECTORATE	Communities
SERVICE AREA	Caerphilly Homes
CONTACT OFFICER	Jane Roberts-Waite / Deb Bishop
DATE FOR NEXT REVIEW OR REVISION	December 2016

***Throughout this Equalities Impact Assessment Form, 'proposal' is used to refer to what is being assessed, and therefore includes policies, strategies, functions, procedures, practices, initiatives, projects and savings proposals.**

INTRODUCTION

The aim of an Equality Impact Assessment (EIA) is to ensure that Equalities issues have been consciously considered throughout the decision making processes of the work undertaken by every service area in the Council and work done at a corporate level.

The form should be used if you have identified a need for a full EIA following the screening process covered in the Equalities Implications in Committee Reports Guidance document (available on the Equalities and Welsh Language Portal on the intranet).

The EIA should highlight any areas of risk and maximise the benefits of proposals in terms of Equalities. It therefore helps to ensure that the Council has considered everyone who might be affected by the proposal.

It also helps the Council to meet its legal responsibilities under the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 and the Welsh Language Measure 2011. There is also a requirement under Human Rights legislation for Local Authorities to consider Human Rights in developing proposals.

The Council's work across Equalities, Welsh Language and Human Rights is covered in more detail through the Strategic Equalities Objectives and Action Plan 2012.

This approach strengthens work to promote Equalities by helping to identify and address any potential discriminatory effects before introducing something new or changing working practices, and reduces the risk of potential legal challenges.

When carrying out an EIA you should consider both the positive and negative consequences of your proposals. If a project is designed for a specific group e.g. disabled people, you also need to think about what potential effects it could have on other areas e.g. young people with a disability, BME people with a disability.

There are a number of supporting guidance documents available on the Equalities and Welsh Language Portal (the Committee report guidance mentioned above, the Consultation and Monitoring guidance) and the Council's Equalities and Welsh Language team can offer support as the EIA is being developed - the contact email is equalities@caerphilly.gov.uk.

PURPOSE OF THE PROPOSAL

1	<p>What is the proposal intended to achieve? <i>(Please give a brief description of the purpose of the new or updated proposal by way of introduction.)</i></p> <p>Rowan Place is an area of Rhymney comprising 82 properties, 72 of which are owned by Caerphilly County Borough Council. For many years, the area has been plagued by high levels of anti social behaviour and crime. In October 2013 Cabinet approved a targeted regeneration effort aimed at tackling the root causes of poverty through improvements to housing conditions and the provision of referrals and support for tenants and residents to much needed services provided at Hafod Deg (including mental health services, drug and alcohol support services, employment advice and opportunities, healthy eating and well being).</p> <p>The sensitive lettings policy was developed with a focus on equality for existing tenants and residents as well as prospective tenants in Rowan Place. The policy should not be viewed in isolation to the multi agency approach that has been adopted and is underway in Rowan Place which seeks to support tenants with complex needs through improvements in their housing conditions and facilitating greater access to support services to help sustain tenancies and reduce anti social behaviour and crime within the area.</p> <p>An informal sensitive lettings policy has been implemented by the area housing team for some time in this area. The report intends to formalise the arrangements and make it clear to existing and prospective tenants, the circumstances in which a new tenancy within Rowan Place will be granted. Local lettings policies have also been implemented in certain areas across the county borough in order to manage anti social behaviour and create more cohesive communities.</p> <p>The use of introductory or probationary tenancies is commonplace throughout England and Wales as a means to help create safer communities. In this instance introductory tenancies will only apply to two bedroom flats within Rowan Place which traditionally have been a magnet for crime and anti social behaviour. Their introduction will assist with the management of ASB and provide the elderly, those with limited mobility and families with greater security. Introductory tenancies will only apply to new tenants seeking two bedroom accommodation in Rowan Place.</p>
2	<p>Who are the service users affected by the proposal? <i>(Who will be affected by the delivery of this proposal? e.g. staff members, the public generally, or specific sections of the public i.e. youth groups, carers, road users, people using country parks, people on benefits etc.)</i></p> <p>New prospective tenants seeking 2 bedroom accommodation within flats at Rowan Place, Rhymney.</p>

IMPACT ON THE PUBLIC AND STAFF

3 Does the proposal ensure that everyone has an equal access to all the services available or proposed, or benefits equally from the proposed changes, or does not lose out in greater or more severe ways due to the proposals?

(What has been done to examine whether or not these groups have equal access to the service, or whether they need to receive the service in a different way from other people?)

The Caerphilly Homes allocation scheme already allows for the assessment of persons with a history of the following in order to determine their suitability for an offer of tenancy:

- Persons who have been charged with or convicted of a serious sexual offence or violent crime
- Persons released from custody having served a sentence for a serious sexual offence or crime of violence (including arson and / or serious criminal damage)
- Persons being discharged from other institutional care whose history includes offences of a violent and / or sexual nature
- Persons with a history of drug, alcohol or other substance misuse who have been convicted of related offences

The proposal to introduce a sensitive lettings policy which suggests that any new applicant which meets one of the following criteria will be refused a tenancy incorporates the opportunity for people who may be considered, vulnerable to receive the necessary support and be allocated a home:

- Is known to have been involved in anti-social behaviour in the last 2 years
- Is unable to demonstrate an ability to sustain a tenancy for a minimum period of the last 12 months. References may/will be taken up which will include from private landlords/hostels.
- Has an unspent criminal conviction
- Has convictions for drug dealing
- Has been convicted of, or has been held responsible for criminal damage or arson within the last 12 months
- Has a history of chaotic behaviour
- Has drug or alcohol related support needs unless on a rehabilitation programme – continuing on the programme will be an additional condition of tenancy
- Has high support needs that may affect their ability to sustain a tenancy and is not engaging with support – if there are high support needs but support is in place, fully engaging with the support will be an additional condition of tenancy.
- Applicants or members of the household who were former tenants of the council and who have excessive outstanding rent arrears and/or recharges that makes the repayments together with current rent and other charges unaffordable.

Prospective tenants seeking two bedroom accommodation in Rowan Place and who do not meet any of the criteria above will be awarded a 12 month introductory tenancy.

The proposal ensures that everyone has the opportunity to obtain a tenancy providing they do not meet the criteria above. An affordability test will be undertaken to ensure that prospective tenants are not adversely affected by recent welfare reform changes (i.e. bedroom tax).

	<p>The proposal will impact positively on the following groups: Older people, disabled persons and those with limited mobility, families, prospective tenants who have not previously been involved in anti social behaviour and those who may be receiving support to tackle drug / alcohol dependency.</p> <p>The proposal will impact negatively on the following groups: Those who are known to have been involved in anti social behaviour in the last two years. Prospective tenants who have ben convicted of drug dealing, criminal damage, arson or who have a history of chaotic behaviour. Persons who have previously been tenants of the Council and who have excessive outstanding rent arrears or recharges that would deem the rent unaffordable.</p>
	<p><u>Actions required</u></p> <p>None</p>

<p>4</p>	<p>What are the consequences of the above for specific groups? <i>(Has the service delivery been examined to assess if there is any indirect affect on any groups? Could the consequences of the policy or savings proposal differ dependent upon people’s disability, race, gender, sexuality, age, language, religion/belief?)</i></p> <p>The consequences of the policy will not differ according to a disability, race, gender, sexuality, age, language or religion / belief.</p> <p>If a prospective tenant meets one or more of the criteria included within the sensitive lettings policy they will be refused a tenancy within Rowan Place and will be assisted by the Area Housing Office to identify and obtain alternative, more appropriate accommodation elsewhere within the county borough via the Council’s allocation process.</p>
	<p><u>Actions required</u></p> <p>Staff involved in the allocation of properties within Rowan Place will receive training to ensure that the policy is implemented consistently and that its implementation does not differ depending on disability, race, gender, sexuality, age, language, religion or belief.</p>

INFORMATION COLLECTION

5	<p>Is full information and analysis of users of the service available? <i>(Is this service effectively engaging with all its potential users or is there higher or lower participation of uptake by one or more groups? If so, what has been done to address any difference in take up of the service? Does any savings proposals include an analysis of those affected?)</i></p> <p>The service is available to prospective tenants seeking two bedroom Council accommodation in Rowan Place, Rhymney. The service is actively engaging with all potential tenants through the marketing of available flats, events and the area management process.</p>
	<p><u>Actions required</u></p> <p>None</p>

CONSULTATION

6	<p>What consultation has taken place? <i>(What steps have been taken to ensure that people from various groups have been consulted during the development of this proposal? Have the Council's Equalities staff been consulted? Have you referred to the Equalities Consultation and Monitoring Guidance?)</i></p> <p>The refurbishment and eventual redevelopment of Rowan Place is a much wider scheme involving a targeted regeneration effort by multiple services. As a result, consultation and engagement with tenants and residents is ongoing and has been undertaken via face to face contact between the designated Tenant Liaison Officer, questionnaires and events held at the show flat.</p> <p>During conversations with local tenants and residents they have all indicated how pleased they are with the investment being made by the Council and Welsh Government and have urged the housing team in particular, not to allow the area to return to the way it was before the regeneration programme began.</p> <p>The proposal has born these requests in mind and as a result, has been designed specifically to create a cohesive and thriving community in the heart of Rhymney.</p>
	<p><u>Actions required</u></p> <p>None</p>

MONITORING AND REVIEW

<p>7</p>	<p>How will the proposal be monitored? <i>(What monitoring process has been set up to assess the extent that the service is being used by all sections of the community, or that the savings proposals are achieving the intended outcomes with no adverse impact? Are comments or complaints systems set up to record issues by Equalities category to be able analyse responses from particular groups?)</i></p> <p>The allocations process will be monitored by the North area housing team to ensure compliance with the Council's allocation policy and equalities policies. The effects of the proposal will be reviewed and reported to CHTG and P&R after a 12 month implementation period.</p>
	<p><u>Actions required</u></p> <p>12 month review / report to be drafted</p>
<p>8</p>	<p>How will the above be evaluated? <i>(What methods will be used to ensure that the needs of all sections of the community are being met?)</i></p> <p>The allocation of flats within Rowan Place will be monitored by the North area housing team as part of their standard allocation policy monitoring process and reported to CHTG and P&R.</p>
	<p><u>Actions required</u></p> <p>None</p>
<p>9</p>	<p>Have any support / guidance / training requirements been identified? <i>(Has the EIA or consultation process shown a need for awareness raising amongst staff, or identified the need for Equality training of some sort?)</i></p> <p>Staff who are directly involved in implementing the policy will receive appropriate training to ensure that the service provided to prospective tenants with a protective characteristic does not differ.</p>
	<p><u>Actions required</u></p> <p>Training to be identified and delivered during 2015/16.</p>

10	<p>Where you have identified mitigating factors in previous answers that lessen the impact on any particular group in the community, or have identified any elsewhere, please summarise them here.</p> <p>None</p>
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11	<p>What wider use will you make of this Equality Impact Assessment? <i>(What use will you make of this document i.e. as a consultation response, appendix to approval reports, publicity etc. in addition to the mandatory action shown below?)</i></p> <p>The Equality Impact Assessment will be submitted to the CHTG as an appendix to the report.</p>
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	<p><u>Actions required</u></p> <ul style="list-style-type: none"> EIA, when completed, to be returned to equalities@caerphilly.gov.uk for publishing on the Council's website.
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Completed By:	Jane Roberts-Waite
Date:	13 th November 2015
Position:	Strategic Coordination Manager
Name of Head of Service:	Phil Davy



POLICY AND RESOURCES SCRUTINY COMMITTEE – 19TH JANUARY 2016

SUBJECT: RE-PROFILING OF WHQS PROGRAMME AND HRA CAPITAL PROGRAMME 2016/17

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151 OFFICER

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- 1.1 The report was considered by the Caerphilly Homes Task Group (CHTG) on the 10th December 2015 and highlighted the changes to the WHQS Programme and set out the HRA Capital Programme budget for 2016/17. In addition, the report sought the views of the CHTG prior to its presentation to Policy and Resources Scrutiny Committee and Cabinet.
 - 1.2 Major slippage during the 2014/15 financial year has necessitated a review of the investment strategy. A revised strategy was approved by Cabinet in February 2015, together with the Capital Programme for the 2015/16 financial year. The new programme was front loaded in an attempt to catch up on the slippage. However, this has led to resourcing issues, particularly in the Eastern-Valleys and has caused problems for the WHQS team due to the number of properties being worked on across the County Borough.
 - 1.3 The Task Group noted that it would not be possible to catch up on the external works programme within 2015/16. Most of the current financial year planned programme is expected to run into 2016/17. There are a number of sequence changes to the external works to take account of the change in approach in the Lower Rhymney Valley and to minimise, as far as is practical, conflicts between the internal and external works. Where overlaps arise, these will need to be managed on the ground.
 - 1.4 The HRA Capital Programme budget allocates the necessary resources based on the Savills cost plan to deliver the programme during 2016/17. It was noted that, as per experience, significant variances may arise once the properties have been surveyed and works specifications prepared. A large contingency has therefore been included within the budget proposal.
 - 1.5 Following consideration and discussion, it was moved and seconded that the Policy and Resources Scrutiny Committee support the Re-profiling of WHQS Programme and HRA Capital Programme 2016/17 and recommend its adoption at Cabinet. By a show of hands this was unanimously agreed: -

RESOLVED that for the reasons contained in the Officers report:

- (i) The Caerphilly Homes Task Group recommend to the Policy and Resources Scrutiny Committee and Cabinet the adoption of the reprofiling of the WHQS Programme and the Capital Programme for 2016/17 that flows from the reprofiling.

- (ii) A further report be presented when sufficient information is available to update the Savills cost plan based on an analysis of actual costs being incurred for internal and external works.

1.6 Members are invited to consider the report and the above recommendations.

Author: C. Evans, Committee Services Officer, Ext 4210.

Appendices:

Appendix 1 Caerphilly Homes Task Group Report – 10th December 2015



CAERPHILLY HOMES TASK GROUP – 10TH DECEMBER 2015

SUBJECT: RE-PROFILING OF WHQS PROGRAMME AND HRA CAPITAL PROGRAMME 2016/17

REPORT BY: CORPORATE DIRECTOR - COMMUNITIES

1. PURPOSE OF REPORT

- 1.1 To advise on changes to the WHQS Programme and set out the HRA Capital Programme budget for 2016/17. The report is seeking the views of the CHTG prior to its presentation to Policy and Resources Scrutiny Committee and Cabinet.

2. SUMMARY

- 2.1 Major slippage during the 2014/15 financial year necessitated a review of the investment strategy. A revised strategy was approved by Cabinet in February 2015 together with the Capital Programme for the 2015/16 financial year. The new programme was front loaded in an attempt to catch up on the slippage. However this has led to resourcing issues particularly in the Eastern Valleys and has caused problems for the WHQS team due to the number of properties being worked on across the County Borough.
- 2.2 The number of properties in the internal works programme reduces in the later years of the programme and a further re-profiling is advocated to have a more consistent number of properties each year. This is a benefit to some community areas that will be pulled forward although others will slip back. Some of the changes are also to avoid gaps arising on the larger estates and enable continuity of phasing of works.
- 2.3 It will not be possible to catch up on the external works programme within 2015/16. Most of the current financial year planned programme is expected to run into 2016/17. There are a number of sequence changes to the external works to take account of the change in approach in the Lower Rhymney Valley and to minimise, as far as practical, conflicts between the internal and external works. Where overlaps arise, these will need to be managed on the ground.
- 2.4 The HRA Capital Programme budget allocates the necessary resources based on the Savills cost plan to deliver the programme during 2016/17. Experience has shown that significant variances will arise once the properties are surveyed and contract packages are specified. A large contingency has therefore been included within the budget proposal.

3. LINKS TO STRATEGY

- 3.1 The Welsh Housing Quality Standard is intended to ensure that all local authority and housing association homes are improved and maintained to achieve specified standards. It is a Welsh Government requirement that the WHQS is achieved by 2020.

- 3.2 The Single Integrated Plan 2013-2017 has a priority to “improve standards of housing and communities, giving appropriate access to services across the County Borough”.
- 3.3 The Council’s Local Housing Strategy “People, Property, and Places” has the following aims:
“To provide good quality, well managed houses in communities where people want to live, and offer people housing choices which meet their needs and aspirations.”
- 3.4 The HRA Capital Programme is aligned to the delivery of the Welsh Housing Quality Standard (WHQS) and links to the WHQS Investment Strategy and Business Plan.

4. THE REPORT

- 4.1 In September 2012 an investment strategy was approved by the Caerphilly Homes Task Group/Cabinet Sub Committee which outlined how the WHQS Programme would be implemented on a community based approach over the period to 2019/20. The work is split between the in house work force and contractors and there are separate sequences for internal and external works.
- 4.2 As a result of various setbacks during 2014/15 which caused slippage to the programme the investment strategy was reviewed and a revised programme was approved in February 2015. This formed the basis for the 2015/16 Capital Programme.
- 4.3 This revised programme was front loaded in an attempt to catch up on slippage. However this has given rise to a situation where too many properties were opened leading to delays in completing work to individual properties and complaints from tenants. This also caused difficulties for the TLOs and COWs as resources were spread too thinly. It has been necessary to review the position and ensure there is a manageable process on the ground.
- 4.4 The number of properties in the internal works programme is at a lower level after 2015/16. A more consistent number of properties in each year can be better managed and will benefit the contractors’ resourcing, the WHQS team, and the tenants especially if this ensures that properties are not open for extensive periods of time. The re-profiling of the programme will result in changes to the community sequences. A number of areas will benefit as they will be pulled forward in the programme whereas some will slip back. The end date of March 2020 is, of course, unchanged.
- 4.5 It will not be possible to catch up on the slippage on the external works programme during 2015/16. By October 2015 only one external works contract from the 2014/15 programme had been completed relating to 53 properties in Markham. There are several more small lots in the Eastern Valleys expected to be completed prior to the end of 2015 relating to 126 properties.
- 4.6 Only 2 contracts in the 2015/16 external works programme have been awarded in the Upper Rhymney Valley (Phillipstown 160 properties and New Tredegar 178 properties). Other major contracts are in preparation for Gelligaer and Hengoed.
- 4.7 The small lots programme for 2015/16 has not yet commenced.
- 4.8 Some delays have arisen due to the need to undertake re-surveys and amend the specification for the works. This was instigated because of concerns about cost escalation and the fact that some elements of work were considered to go beyond what is essential for WHQS.
- 4.9 It is currently anticipated that the 2015/16 external works programme will not be completed until the latter part of 2016. There have also been changes affecting the external works in the Lower Rhymney Valley. Originally it was proposed that this part of the programme would be undertaken by the in house work force but due to pressure elsewhere, particularly Rowan

Place, it was decided to contract out the LRV. The new contract arrangements are not expected to be in place until 2016/17. Although some work is continuing to the blocks of flats in the LRV through the Private Sector Housing Team.

- 4.10 The other major change is the decision to outsource the WHQS works for the sheltered housing schemes to a managed service provider. This is currently at the procurement stage.
- 4.11 Taking account of various factors impacting on the programme a revised profile is shown in the table below. Note that this excludes the sheltered housing schemes which are being outsourced. They will have a separate programme in due course. On a positive note surveying for the 2016/17 programme has commenced with the aim of seeing contracts commence much earlier in the financial year.
- 4.12 The programme profile assumes that the number of properties for either internal or external works will be delivered in the year shown and provides the basis for planning. However the reality is that this will never be the case on the ground and adjustments will inevitably arise between the years for a variety of reasons. An overriding concern is to limit the amount of slippage as the scope to catch up in the last year is limited.

Revised Property Profile

Year	Internal Work	External Work
2015/16	1835	1520
2016/17	1992	2071
2017/18	1899	2368
2018/19	1411	2181
2019/20	741	1531
	7878	9671

- 4.13 The average rate of weekly completions for internal works is 32. For the first six months of 2015/16 the average rate of completions for internal work has been around 30. There can therefore be some confidence that the internal works can be completed by March 2020.
- 4.14 For external works the average weekly rate of completions is 39. Currently the programme is falling well short with only one contract for 53 properties completed. The position will improve over the remaining months of 2015/16 but it will take more than one financial year to pull back the slippage. Note that external completions will be measured on the basis of contracts rather than individual properties due to the nature of the works and how they are organised.
- 4.15 The revised property profile will result in various amendments to the sequence of community areas. The changes are summarised in Appendix 1. For internal works 18 community areas benefit by being pulled forward and 4 community areas are pushed back. For external works the impact of slippage is more apparent with the majority of changes resulting in community areas being pushed back. The major impact is on the Lower Rhymney Valley due to the need to implement a new contract arrangement.
- 4.16 The re-profiled investment strategy is shown in Appendix 2. The expenditure estimates are derived from the Savills cost plan so have to be treated with some caution as experience has shown there will be significant variances. There are regular reviews of the cost plan based on trend data from valuations and tender prices. The latest assessment suggests that the programme currently remains within the limits of affordability set by the HRA business plan.
- 4.17 The HRA capital programme 2016/17 is shown in Appendix 3. As well as the programme renewals provision is included for adaptations undertaken on a response basis, major repairs to voids prior to re-letting incorporating WHQS works, and the continuation of the improvement programme to the HRA garages.

- 4.18 Energy efficiency measures continue to be investigated and there is some prospect of securing grant funding under ECO for the Wimpey No Fines properties located in Gelligaer, Pontlottyn and Gilfach. However this will not be 100% funded and match funding will be necessary. Notwithstanding there will still be a benefit in terms of cost saving to the WHQS programme.
- 4.19 Due to the ongoing variances to the budget a significant contingency sum has been included.

5. EQUALITIES IMPLICATIONS

- 5.1 An EqlA screening has been completed in accordance with the Council's Equalities Consultation and Monitoring Guidance and no potential for unlawful discrimination and for lower level or minor negative impact have been identified, therefore a full EqlA has not been carried out.
- 5.2 The implementation of the WHQS Programme will ensure compliance where appropriate with current Building Regulations and DDA requirements. The Council's procurement processes include equalities requirements and compliance by contractors undertaking WHQS work.

6. FINANCIAL IMPLICATIONS

- 6.1 The budget estimate for 2016/17 is £36m. The budget estimates for the programme renewals are based on the Savills cost plan but adjustments have been included for Rowan Place and Cefn Hengoed based on anticipated additional costs. Due to the experience of large in year variances the contingency sum has been increased to 10% of the programme renewals estimate.
- 6.2 Based on the estimates the works programme for 2016/17 will require an average expenditure of between £500,000 and £600,000 a week.
- 6.3 There are indications of cost escalation based on trends emerging from external works tender prices and valuations for internal works.
- 6.4 Most of the tenders received to date for external works relate to small lots contracts in the Eastern Valleys. In the light of experience some of these contracts were over specified. The requirements for external works have been reviewed and revised guidance issued to the surveyors including the application of "acceptable fail" criteria. The early tender costs will not be a reliable indicator for projecting future budget costs.
- 6.5 There have been two external works contracts awarded in the Upper Rhymney Valley which were tendered from a framework. The tender costs were in excess of the Savills budget cost for the respective estates but based on an average cost per property they were more in line with expectations when compared to the Savills average cost per property across the whole programme.
- 6.6 Valuations from the early contract packages given to the internal works contractors have resulted in a mixed picture. More detailed analysis is currently being undertaken to work out average costs for the internal components to compare with the Savills cost plan.
- 6.7 Currently there is insufficient robust data to be able to project a meaningful revised cost plan. Furthermore until all the properties have been surveyed there will not be a complete picture of all the work necessary to achieve the WHQS, nor will the full extent of exceptional items be known.
- 6.8 Although outside the HRA there is an additional Welsh Government grant (VVP) of £600,000 in the 2016/17 financial year to undertake environmental enhancements to the Rowan Place estate.

7. PERSONNEL IMPLICATIONS

- 7.1 The timetable pressure is increasing and there has to be the capacity within the staff resources to cope with the volume of work. During the course of 2015 steps have been taken to strengthen the team in a number of critical front line roles including Surveyors, Quantity Surveyors, Clerk of Works and Tenant Liaison Officers with mixed success. Staff movement and recruitment difficulties remain a risk to the programme. It is also proposed to recruit another Project Manager due to the pressures arising from contract management.
- 7.2 Elements of the programme have been allocated to third parties as a means to spread the risk and create extra capacity. These relate to the HRA garages allocated to Building Consultancy, the external works to the blocks of flats in the LRV allocated to the Private Sector Housing Team, and the outsourcing of the sheltered housing schemes to a managed service provider.

8. CONSULTATIONS

- 8.1 Comments received have been taken into consideration within the report.

9. RECOMMENDATIONS

- 9.1 The CHTG recommend to Policy and Resources Scrutiny Committee and Cabinet the adoption of the re-profiling of the WHQS Programme and the Capital Programme for 2016/17 that flows from the re-profiling.
- 9.2 A further report be presented when sufficient information is available to update the Savills cost plan based on an analysis of actual costs being incurred for internal and external works.

10. REASON FOR RECOMMENDATIONS

- 10.1 To appraise the Task Group, Policy and Resources Scrutiny Committee and Cabinet of changes to the WHQS Programme and to approve the HRA Capital Programme for 2016/17.

11. STATUTORY POWER

- 11.1 Housing Acts 1985, 1996, 2004. This is a Cabinet function.

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Consultees:

Cllr D V Poole	-	Deputy Leader and Cabinet Member for Housing
Cllr B Jones	-	Deputy Leader and Cabinet Member for Corporate Services
C Harrhy	-	Corporate Director Communities
N Scammell	-	Acting Director of Corporate Services and S151 Officer
S Couzens	-	Chief Housing Officer
M Lloyd	-	Deputy Head of Programmes
C Roden	-	WHQS Project Manager
A Edmunds	-	WHQS Project Manager
S Greedy	-	WHQS Project Manager
J Roberts-Waite	-	Strategic Co-ordination Manager
L Allen	-	Principal Accountant
R Lewis	-	Systems and Performance Manager
E Lucas	-	Head of Procurement

G Williams - Interim Head of Legal Services & Monitoring Officer

Appendices:

Appendix 1: Community Sequence Changes

Appendix 2: Re-profiled Investment Strategy

Appendix 3: HRA Capital Programme 2016/17

Area/Community	Internal Changes	External Changes
Eastern Valleys		
CROSSKEYS	INT Moved from 18/19 to 17/18	EXT Moved from 17/18 to 19/20
		EXT Moved from 17/18 to 19/20 - Leaseholders
CWMCARN	INT Moved from 18/19 to 17/18	EXT Moved from 17/18 to 19/20
PENLLWYN LOWER		EXT Moved from 18/19 to 17/18
PONTYMISTER	INT Moved from 19/20 to 18/19	
PONTYWAUN	INT Moved from 19/20 to 18/19	
TY-SIGN LOWER	INT Moved from 19/20 to 18/19	
Lower Rhymney Valley		
BEDWAS	INT Moved from 18/19 to 17/18	EXT Moved from 14/15 to 15/16 - DLO to CON (PS)
		EXT Moved from 14/15 to 16/17 - DLO to CON
		EXT Moved from 14/15 to 16/17
BRYNCENYDD		EXT DLO to CON
CAERBRAGDY		EXT DLO to CON
CHURCHILL PARK	INT Moved from 17/18 to 16/17	EXT Moved from 16/17 to 18/19 - DLO to CON
CLAUDE ROAD	INT Moved from 19/20 to 17/18	EXT DLO to CON
GRAIG Y RHACCA		EXT DLO to CON
LANSBURY PARK		EXT DLO to CON
LLANBRADACH		EXT DLO to CON
MACHEN		EXT Moved from 15/16 to 18/19 - DLO to CON
PENYRHEOL LOWER		EXT Moved from 15/16 to 17/18 - DLO to CON
PENYRHEOL UPPER	INT Moved from 18/19 to 19/20	EXT Moved from 15/16 to 18/19 - DLO to CON
PORSET PARK	INT Moved from DLO 17/18 to CON 18/19	EXT Moved from DLO 18/19 to CON 19/20
PWLLYPANT		EXT Moved from 15/16 to 16/17 - DLO to CON
RUDRY	INT Moved from 19/20 to 17/18	EXT Moved from 15/16 to 16/17 - DLO to CON
SENGHENYDD		EXT DLO to CON
THOMASVILLE		EXT Moved from 15/16 to 18/19 - DLO to CON
TRAPWELL	INT Moved from 19/20 to 17/18	EXT Moved from 15/16 to 16/17 - DLO to CON
TRECENYDD		EXT DLO to CON
TRETHOMAS		EXT DLO to CON
TY ISAF		EXT Moved from 15/16 to 18/19 - DLO to CON
TY NANT		EXT Moved from 15/16 to 18/19 - DLO to CON
WAUNFACH	INT Moved from 19/20 to 17/18	EXT DLO to CON
Upper Rhymney Valley		
ABERBARGOED MIDDLE	INT Moved from 18/19 to 16/17	EXT Moved from 16/17 to 17/18
CEFN HENGOED	INT Moved from 15/16 to 17/18	
GELIGAER	INT Moved from 16/17 to 17/18	
GILFACH LOWER	INT Moved from 19/20 to 18/19	
GILFACH PHASE 1 GIL1	INT Moved from 18/19 to 16/17	
GILFACH PHASE 2		EXT Moved from 18/19 to 17/18
GILFACH PHASE 3	INT Moved from 18/19 to 17/18	EXT Moved from 17/18 to 18/19
MAESYCWMMER	INT Moved from 19/20 to 18/19	
PENPEDAIRHEOL	INT Moved from 19/20 to 18/19	
PENYBRYN	INT Moved from 19/20 to 18/19	

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WHQS Programme - Year 3 (2015/16) - Costs			
Community	Internal Components		External Components
	CON £	DLO £	CON £
Eastern Valleys			
ARGOED	280950		
BRITANNIA	711850		
CEFN FFOREST	2997800		
CROESPENMAEN			92500
FAIRVIEW	312100		
FLEUR-DE-LLYS	401700		
GELLIGROES			95900
HIGHMEADOW			8950
MARKHAM-HOLLYBUSH	529350		
MORRISVILLE		80100	
PENGAM	254000		
PENLLWYN UPPER			350746
PENTWYNMAWR			131500
PERSONDY		208550	
SPRINGFIELD			188308
TY-SIGN UPPER		493500	
WATTSVILLE		220850	
WESTEND		102000	
YNYSDDU-CWMFELINFACH			83225
Lower Rhymney Valley			
BEDWAS			314300
BRYNCENYDD			59110
GRAIG-Y-RHACCA (PHASE 1)		824500	
LANSBURY PARK	3312750		
TRETHOMAS		554050	
Upper Rhymney Valley			
BRITHDIR			17200
CASCADE		177850	
CEFN HENGOED		532600	69175
GELLIGAER			4013380
NELSON		442450	
NEW TREDEGAR			241680
PONTLOTTYN	1999850		
TIRYBERTH		334350	
PHILLIPSTOWN			414740
TIRPHIL			99815
Annual Total	10800350	3970800	6180529

WHQS Programme - Year 3 (2015/16) - Properties			
Community	Internal Components		External Components
	CON No	DLO No	CON No
Eastern Valleys			
ARGOED	30		
BRITANNIA	82		
CEFN FFOREST	327		
CROESPENMAEN			29
FAIRVIEW	31		
FLEUR-DE-LLYS	46		
GELLIGROES			28
HIGHMEADOW			43
MARKHAM-HOLLYBUSH	54		
MORRISVILLE		12	
PENGAM	28		
PENLLWYN UPPER			253
PENTWYNMAWR			35
PERSONDY		29	
SPRINGFIELD			218
TY-SIGN UPPER		79	
WATTSVILLE		28	
WESTEND		12	
YNYSDDU-CWMFELINFACH			22
Lower Rhymney Valley			
BEDWAS			133
BRYNCENYDD			40
GRAIG-Y-RHACCA (PHASE 1)		123	
LANSBURY PARK	424		
TRETHOMAS		83	
Upper Rhymney Valley			
BRITHDIR			8
CASCADE		18	
CEFN HENGOED		104	61
GELLIGAER			342
NELSON		48	
NEW TREDEGAR			110
PONTLOTTYN	233		
TIRYBERTH		44	
PHILLIPSTOWN			159
TIRPHIL			39
Annual Total	1255	580	1520

WHQS Programme - Year 4 (2016/17) - Costs			
Community	Internal Components		External Components
	CON £	DLO £	CON £
Eastern Valleys			
GELLIGROES	280850		
LLANFACH			4000
MARKHAM-HOLLYBUSH	607600		
MORRISVILLE			59100
OAKDALE	700200		
PENLLWYN LOWER	669150		
PENTWYNMAWR	363950		
PERSONDY			4850
PONTYMISTER			309855
PONTYWAUN			102550
RISCA			203545
SPRINGFIELD	1931950		
TRINANT			42650
TWYN GARDENS	399600		
TY-SIGN LOWER			1080490
TY-SIGN UPPER		1433500	
WATTSVILLE			61150
WESTEND			104650
Lower Rhymney Valley			
ABERTRIDWR	1377350		
BEDWAS			1167750
CHURCHILL PARK	1243950		
CLAUDE ROAD			634570
GRAIG-Y-RHACCA (PHASE 2)		1934050	
LLANBRADACH	782100		
NANTDDU	523950		
PWLLYPANT			42670
RUDRY			49130
SENGHENYDD			128080
TRAPWELL			48160
TRECENYDD			301730
WAUNFACH			18020
Upper Rhymney Valley			
ABERBARGOED LOWER	450850		
ABERBARGOED MIDDLE	739600		
ABERTYSSWG			538090
BARGOED			139250
BRITHDIR	77400		
DERI	51200		
FOCHRIW			1787560
GILFACH LOWER			191860
GILFACH PHASE 1 GIL 1	407800		
GILFACH PHASE 2	1400650		

MAES MABON		1000700	
PONTLOTTYN			2251895
TIRPHIL	330750		
Annual Total	12338900	4368250	9271605

WHQS Programme - Year 4 (2016/17) - Properties			
Community	Internal Components		External Components
	CON No	DLO No	CON No
Eastern Valleys			
GELLIGROES	28		
LLANFACH			24
MARKHAM-HOLLYBUSH	78		
MORRISVILLE			12
OAKDALE	73		
PENLLWYN LOWER	71		
PENTWYNMAWR	35		
PERSONDY			29
PONTYMISTER			152
PONTYWAUN			20
RISCA			102
SPRINGFIELD	218		
TRINANT			206
TWYN GARDENS	37		
TY-SIGN LOWER			133
TY-SIGN UPPER		226	
WATTSVILLE			29
WESTEND			12
Lower Rhymney Valley			
ABERTRIDWR	134		
BEDWAS			101
CHURCHILL PARK	146		10
CLAUDE ROAD			110
GRAIG-Y-RHACCA (PHASE 2)		266	
LLANBRADACH	76		
NANTDDU	52		
PWLLYPANT			38
RUDRY			20
SENGHENYDD			119
TRAPWELL			13
TRECENYDD			209
WAUNFACH			17
Upper Rhymney Valley			
ABERBARGOED LOWER	47		
ABERBARGOED MIDDLE	88		
ABERTYSSWG			52
BARGOED			136
BRITHDIR	8		
DERI	5		
FOCHRIW			156
GILFACH LOWER			108
GILFACH PHASE 1 GIL 1	42		
GILFACH PHASE 2	175		
MAES MABON		148	
PONTLOTTYN			263

TIRPHIL	39		
Annual Total	1352	640	2071

WHQS Programme - Year 5 (2017/18) - Costs			
Community	Internal Components		External Components
	CON £	DLO £	CON £
Eastern Valleys			
BLACKWOOD			92250
BRITANNIA			285050
CROESPENMAEN	266950		
CROSSKEYS	828700		
CWMCARN	1000500		
FAIRVIEW			96150
FLEUR-DE-LYS			139300
NEWBRIDGE	649350		
PANTSIDE LOWER			202200
PANTSIDE UPPER			31050
PENGAM			40250
PENLLWYN LOWER			69100
PENLLWYN UPPER		1400350	
TRELYN UPPER			378100
TREOWEN	108500		
TRINANT	1932400		
Lower Rhymney Valley			
BEDWAS	1625150		
CAERBRAGDY		222400	
CLAUDE ROAD	670900		
HEOL TRECASTELL	564450		
LANSBURY PARK			7670515
LLANBRADACH			27890
MACHEN		510650	
PENYRHEOL LOWER			244850
RUDRY	163700		
TRAPWELL	112100		
WAUNFACH	170500		
Upper Rhymney Valley			
ABERBARGOED LOWER			39765
ABERBARGOED MIDDLE			110390
ABERBARGOED UPPER	2000500		
ABERTYSSWG		384450	
CEFN HENGOED		478500	
DERI			55650
GELLIGAER		2737700	
GILFACH PHASE 1 GIL 1			845350
GILFACH PHASE 2			832630
GILFACH PHASE 3	1274750		
HENGOED			423986
MAESYCWMMER			390610
RHYMNEY NORTH			1816490
Annual Total	11368450	5734050	13791576

WHQS Programme - Year 5 (2017/18) - Properties			
Community	Internal Components		External Components
	CON No	DLO No	CON No
Eastern Valleys			
BLACKWOOD			117
BRITANNIA			82
CROESPENMAEN	29		
CROSSKEYS	89		
CWMCARN	104		
FAIRVIEW			31
FLEUR-DE-LYS			46
NEWBRIDGE	66		
PANTSIDE LOWER			193
PANTSIDE UPPER			78
PENGAM			28
PENLLWYN LOWER			71
PENLLWYN UPPER		183	
TRELYN UPPER			79
TREOWEN	11		
TRINANT	206		
Lower Rhymney Valley			
BEDWAS	171		
CAERBRAGDY		24	
CLAUDE ROAD	70		
HEOL TRECASTELL	57		
LANSBURY PARK			531
LLANBRADACH			76
MACHEN		63	
PENYRHEOL LOWER			136
RUDRY	15		
TRAPWELL	10		
WAUNFACH	17		
Upper Rhymney Valley			
ABERBARGOED LOWER			48
ABERBARGOED MIDDLE			88
ABERBARGOED UPPER	219		
ABERTYSSWG		52	
CEFN HENGOED		61	
DERI			5
GELLIGAER		315	
GILFACH PHASE 1 GIL 1			62
GILFACH PHASE 2			175
GILFACH PHASE 3	137		
HENGOED			90
MAESYCWMMER			75
RHYMNEY NORTH			357
Annual Total	1201	698	2368

WHQS Programme - Year 6 (2018/19) - Costs			
Community	Internal Components		External Components
	CON £	DLO £	CON £
Eastern Valleys			
BLACKWOOD		893250	367108
CEFN FFOREST			1094110
PENLLWYN UPPER		596250	
PONTYMISTER	1445250		
PONTYWAUN	214200		
RISCA	902500		
TWYN GARDENS			132850
TY-SIGN LOWER	1273150		
TY-SIGN UPPER			4661915
YNYSDDU-CWMFELINFACH	228550		
Lower Rhymney Valley			
CAERBRAGDY			50000
CHURCHILL PARK			379070
MACHEN			135080
PENYRHEOL LOWER		1073050	
PENYRHEOL UPPER			1330150
PORSET PARK	1283200		
TRETHOMAS			380675
THOMASVILLE			116475
TY ISAF			4900
TY NANT			10450
Upper Rhymney Valley			
ABERBARGOED UPPER			205065
BARGOED		1309950	
CASCADE			18240
CEFN HENGOED			162520
FOCHRIW		1066700	
GILFACH LOWER	1056050		
GILFACH PHASE 3			2244890
MAESYCWMMER	758100		
PENPEDAIRHEOL	79700		17800
PENYBRYN	41850		250
TIRYBERTH			12350
YSTRAD MYNACH			146970
Annual Total	7282550	4939200	11470868

WHQS Programme - Year 6 (2018/19) - Properties			
Community	Internal Components		External Components
	CON No	DLO No	CON No
Eastern Valleys			
BLACKWOOD		117	153
CEFN FFOREST			327
PENLLWYN UPPER		70	
PONTYMISTER	152		
PONTYWAUN	20		
RISCA	102		
TWYN GARDENS			37
TY-SIGN LOWER	126		
TY-SIGN UPPER			326
YNYSDDU-CWMFELINFACH	22		
Lower Rhymney Valley			
CAERBRAGDY			24
CHURCHILL PARK			146
MACHEN			72
PENYRHEOL LOWER		136	
PENYRHEOL UPPER			324
PORSET PARK	179		
TRETHOMAS			114
THOMASVILLE			32
TY ISAF			7
TY NANT			30
Upper Rhymney Valley			
ABERBARGOED UPPER			219
BARGOED		136	
CASCADE			18
CEFN HENGOED			104
FOCHRIW		156	
GILFACH LOWER	108		
GILFACH PHASE 3			140
MAESYCWMMER	75		
PENPEDAIRHEOL	8		8
PENYBRYN	4		4
TIRYBERTH			44
YSTRAD MYNACH			52
Annual Total	796	615	2181

WHQS Programme - Year 7 (2019/20) - Costs

Community	Internal Components		External Components
	CON £	DLO £	CON £
Eastern Valleys			
BLACKWOOD		1196150	
CROSSKEYS			569140
CWMCARN			279860
NEWBRIDGE			29935
TREOWEN			6490
Lower Rhymney Valley			
GRAIG Y RHACCA			404415
PENYRHEOL UPPER		2448300	
PORSET PARK			685140
Upper Rhymney Valley			
MAES MABON			20625
NELSON			5500
NEW TREDEGAR		895000	
PHILLIPSTOWN		1152200	
RHYMNEY SOUTH			1712700
Annual Total		5691650	3713805

WHQS Programme - Year 7 (2019/20) - Properties			
Community	Internal Components		External Components
	CON No	DLO No	CON No
Eastern Valleys			
BLACKWOOD		153	
CROSSKEYS			138
CWMCARN			111
NEWBRIDGE			66
TREOWEN			11
Lower Rhymney Valley			
GRAIG Y RHACCA			393
PENYRHEOL UPPER		321	
PORSET PARK			194
Upper Rhymney Valley			
MAES MABON			148
NELSON			48
NEW TREDEGAR		108	
PHILLIPSTOWN		159	
RHYMNEY SOUTH			422
Annual Total		741	1531

HRA Capital Programme 2016/17

Programme Renewals

In House Work Force (Internal Works)

	£
Eastern Valleys	1,433,500
Lower Rhymney Valley	1,934,050
Upper Rhymney Valley	1,000,700
Rowan Place URV	1,200,000

Contractors (Internal Works)

	£
Eastern Valleys	4,953,300
Lower Rhymney Valley	3,927,350
Upper Rhymney Valley	3,458,250

Contractors (External Works)

	£
Eastern Valleys	1,972,840
Lower Rhymney Valley	2,390,110
Upper Rhymney Valley	4,908,655
Cefn Hengoed	750,000

Sub Total 27,928,755

Adaptations (reactive)	1,000,000
Voids (outside planned programme)	1,000,000
HRA Garages	500,000
Energy Schemes	1,000,000
Fees and Consultancy	1,800,000
Contingency (10%)	2,792,875

TOTAL 36,021,630

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POLICY AND RESOURCES SCRUTINY COMMITTEE – 19TH JANUARY 2016

SUBJECT: WHQS COMPLIANCE POLICY

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151 OFFICER

-
- 1.1 The report was considered by the Caerphilly Homes Task Group (CHTG) on the 10th December 2015 and sought views on the draft WHQS Compliance Policy, which is a Welsh Government requirement, prior to its consideration at Policy and Resources Scrutiny Committee and Cabinet.
 - 1.2 Social housing landlords are required to put in place a Compliance Policy by 1st April 2016, which would be subject to annual review. The Compliance Policy is intended to provide the Welsh Government, tenants and the Council with assurance that WHQS will be achieved and maintained and must set out the arrangements for independent verification.
 - 1.3 The Task Group debated various aspects of the report and raised concern for the brief reference to the Environmental Programme within the Policy. It was agreed that as the Environmental Programme was an integral part of the programme and has to be delivered to achieve WHQS, that a fuller explanation should be incorporated within the Policy. The Scrutiny Committee are asked to note that in view of the concerns expressed, the following additional paragraph has been included in the Policy:-

“There will be a separate environmental programme which will address Part 6 of the WHQS. The process will involve engagement and consultation with residents to identify community aspirations and to determine priorities for environmental improvements. An engagement plan has been agreed that will run from January 2016. Project implementation is likely to commence during 2016 and will be phased through to the end of the programme in 2020. Improvements may include landmarks/gateways, street furniture, traffic calming, street lighting, rationalising pedestrian routes, landscaping, safe play areas, car parking, defensible space and demarcation of boundaries”.
 - 1.4 The Task Group discussed the progress being made on surveys and it was noted that additional resources are required in order to increase the number of surveys completed in advance of works commencing.
 - 1.5 Following consideration and discussion, it was moved and seconded that subject to the inclusion of reference to the Environmental Programme, the Policy be recommended for approval by Cabinet. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the report, the Caerphilly Homes Task Group recommend the adoption of the revised WHQS Compliance Policy to the Policy and Resources Scrutiny Committee and Cabinet.

- 1.6 Members are invited to consider the report and the above recommendation.

Author: C. Evans, Committee Services Officer, Ext 4210.

Appendices:

Appendix 1 Caerphilly Homes Task Group Report – 10th December 2015



CAERPHILLY HOMES TASK GROUP – 10TH DECEMBER 2015

SUBJECT: WHQS COMPLIANCE POLICY

REPORT BY: CORPORATE DIRECTOR - COMMUNITIES

1. PURPOSE OF REPORT

- 1.1 To consult CHTG on the draft WHQS Compliance Policy which is a Welsh Government requirement. The report is seeking the views of the CHTG prior to its presentation to Policy and Resources Scrutiny Committee and Cabinet.

2. SUMMARY

- 2.1 Social housing landlords are required to put in place a Compliance Policy by 1st April 2016 and review it annually. The Compliance Policy is intended to provide the Welsh Government, tenants and the Council with assurance that WHQS will be achieved and maintained and must set out the arrangements for independent verification. A copy of the draft policy is attached in the Appendix to the report.

3. LINKS TO STRATEGY

- 3.1 The Welsh Housing Quality Standard is intended to ensure that all local authority and housing association homes are improved and maintained to achieve specified standards.
- 3.2 The Single Integrated Plan 2013-2017 has a priority to “improve standards of housing and communities, giving appropriate access to services across the County Borough”.
- 3.3 The Council’s Local Housing Strategy “People, Property, and Places” has the following aims:
 “To provide good quality, well managed houses in communities where people want to live, and offer people housing choices which meet their needs and aspirations.”
- 3.4 The Caerphilly Homes Task Group is a formal mechanism to engage with tenant representatives and ensure their views are reflected in decisions relating to public sector housing.

4. THE REPORT

- 4.1 An earlier report to the CHTG in May 2015 set out the background and Welsh Government requirements.
- 4.2 The main elements of the policy are:-

- Interpretation of WHQS
- Interpretation and recording of acceptable fails
- Data collection and storage
- WHQS progress and reporting
- Independent verification
- Annual financial investment in the stock
- Community Benefits.

4.3 The Internal Audit service will be used to verify the systems used to collect, store and ensure the accuracy of information used to demonstrate progress in implementing the WHQS programme. Provision will be made in the Internal Audit Plan on an annual basis to test aspects of the systems and ensure the validity of the information used to demonstrate compliance with WHQS.

5. EQUALITIES IMPLICATIONS

5.1 An EqlA screening has been completed in accordance with the Council's Equalities Consultation and Monitoring Guidance and no potential for unlawful discrimination and for lower level or minor negative impact have been identified, therefore a full EqlA has not been carried out.

6. FINANCIAL IMPLICATIONS

6.1 The implementation of the Compliance Policy has major financial commitments which are addressed through the HRA business plan.

7. PERSONNEL IMPLICATIONS

7.1 There are significant staff resources to implement the WHQS Programme to achieve and maintain compliance. Staff resources are kept under review and have been strengthened where appropriate.

8. CONSULTATIONS

8.1 No comments have been received.

9. RECOMMENDATION

9.1 The Caerphilly Homes Task Group recommend to the Policy and Resources Scrutiny Committee and Cabinet the adoption of the WHQS Compliance Policy.

10. REASON FOR RECOMMENDATIONS

10.1 To meet a requirement from Welsh Government to prepare and adopt a WHQS Compliance Policy by 1st April 2016.

11. STATUTORY POWER

11.1 Housing (Wales) Act 2014.

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Email: davypg@caerphilly.gov.uk, Tel: 01443 8664208

Consultees: Cllr D V Poole - Deputy Leader and Executive Member for Housing
C Burns - Interim Chief Executive
C Harry - Corporate Director Communities
N Scammell - Acting Director of Corporate Services and S151 Officer
S Couzens - Chief Housing Officer
G Williams - Interim Head of Legal Services & Monitoring Officer
R Harris - Internal Audit Manager

Appendix1: Draft WHQS Compliance Policy

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Draft WHQS Compliance Policy

Background

The Council owns around 10,900 properties and in addition there are 417 leasehold flats. The Council balloted tenants early in 2012 in respect of transfer of their homes to a registered social landlord. Tenants voted to remain with the Council. During the ballot the Council had outlined to tenants a retention plan to achieve Welsh Housing Quality Standard (WHQS) by 2020. Towards the end of 2012 a more detailed investment strategy and implementation plan was agreed following further consultation with tenants. There are separate programmes for internal and external works operating on a community basis with concurrent contracts in the three housing areas (Lower Rhymney Valley, Upper Rhymney Valley, and Eastern Valleys). The contract works are split roughly 50:50 between the in house work force and contractors. There will be a separate environmental programme.

Due to a number of setbacks that resulted in programme slippage during 2014/15, the investment strategy was updated in February 2015. Since then a number of decisions have been taken that will impact on this programme and another re profiling of the programme will be undertaken prior to the commencement of the 2016/17 financial year.

The WHQS business plan is based on the Savills stock condition survey undertaken in 2008. The conclusion from the survey was the stock had been well maintained on a day to day basis but required substantial investment to meet the requirements of the WHQS. A significant number of components were identified as having reached or were reaching the end of their useful life and required replacement in the short term. The main areas of failure against the Standard related to the lack of internal modernisation to the properties and issues surrounding the environment around the properties.

With the lapse of time since the Savills survey and given that the survey was only a 15% sample, and that there was continuing investment in the stock between 2008 and 2012 it was determined that all properties would need to have an individual survey to determine the scope of the works necessary to meet the standard and / or verify whether previous works were fully compliant with the standard. The surveys are also used to update/amend the asset database for component renewal beyond 2020.

The Council has an in house team of surveyors who use the WHQS Guidance (July 2008) as a means to establish the scope of work required to each property. The surveyors have to exercise judgement in reaching a determination as to whether any component should be renewed, and whether any component may fall out of compliance prior to 2020. Every property is different due to works undertaken in previous years under either planned programmes or response repairs.

The contract approach and general specification was the subject of extensive dialogue with a representative group of tenants following the ballot. The Council attempts to ensure that the minimum requirements of all parts of the standard are met, but in many instances will go beyond the minimum to achieve a satisfactory outcome for tenants. However this approach has to be balanced against the cost implications for the budget. This does not mean that every tenant will get exactly the same and especially in those circumstances where work has previously been undertaken that already achieves the standard. Also there may be physical and cost considerations that limit what is practical and reasonable.

Interpretation of WHQS

The scope of work for each property is assessed on the basis of The Welsh Housing Quality Standard Guidance July 2008, and in particular Parts 1,2,3,4 and 7, and by application of The Standard Assessment Checklist. Internally work is focused on four key components – kitchens, bathrooms, rewires, and heating systems. Externally it is the condition of key components including roofs, windows, doors, walls, paths and fences. The topography of the County Borough is a particular constraint when it comes to external works as many properties have steep gardens and there are extensive retaining walls. In addition there is a garage stock of in excess of 1200 garages in variable condition on sites throughout the major estates.

From the individual surveys a schedule of work for each property is prepared. Properties are then grouped together to create packages which are then issued to the relevant contractor or the in house work force depending on the community area.

Where it is apparent from the first visit to the property that the household may have special needs a referral is made to the Occupational Therapist within the Tenant Liaison Team. The OT officer will make an assessment and as necessary prepare an intervention plan recommending adaptations which are then incorporated within the works schedule. It is the Council's policy to undertake work that is necessary to bring the property into compliance with the standard. This will include any component that is judged will require renewal or replacement prior to 2020, but otherwise component replacement will be deferred until after 2020 and included in future planned maintenance programmes.

Interpretation and Recording of Acceptable Fails

The Council accepts that residents' should have a choice about the works proposed for their homes. If, for whatever reason, the tenant decides they do not want the improvement work undertaken this will be accepted. The only exception to this would be where there is a health and safety consideration, for example electrical rewiring, and in these circumstances the landlord would enforce the work. Where the tenant refuses work this will be recorded as an acceptable fail due to resident's choice.

Where properties drop out of the programme they will subsequently be dealt with either when they become void or as part of a mop up contract in the latter part of the programme. The position with voids is that the minimum necessary work will be undertaken to enable the property to be re let in the shortest time as the emphasis is delivering the WHQS through a planned programme. However where the condition of the property is such that one internal component has to be replaced (e.g. kitchen or bathroom) this will be to WHQS, and any other internal components that require renewal will be undertaken at the same time.

The accommodation in the individual units of many of the sheltered housing schemes has limited space to fully meet the space standards of WHQS and they may be recorded as acceptable fails for reasons of timing, cost and physical constraint. Six schemes are subject to review in respect of remodelling and where this proceeds meeting the WHQS will be part of the design criteria. However remodelling may not take place prior to 2020 for all schemes.

In order to meet the needs of certain tenants with disabilities a wet room may be installed resulting in the provision of a shower but no bath. When the property is re let the wet room will normally remain if in good condition. Depending on the family circumstances of the new tenant the landlord may replace the wet room with a bath and over bath shower.

The use of the acceptable fail criteria will be applied in a common sense manner. For example there are a number of properties where party walls are absent within the loft space, or defective. In terms of WHQS this raises both safety and security considerations. But practically it is only possible to deal with this matter when the properties are being re roofed. A common attic void can be recorded within the database (see IT section) and the work would be deferred on the grounds of timing and physical constraint. A note should be added to the asset records to include within roof works post 2020.

The extent of external works may be constrained by topography and some acceptable fails are likely due to physical constraint and cost of remedy. In these circumstances it is difficult to see how an acceptable fail could be converted to a pass at any time without major civil engineering works or estate redevelopment. For the foreseeable future this is very unlikely.

IT Systems

With separate programmes for internal and external works there are in excess of 20,000 individual property projects. The IT systems manage the information flows from the initial survey stage, works scheduling, through the works stage, to the completion and valuation process. The management and monitoring of the WHQS Programme is via Keystone. This provides core asset management (KAM), contract management (KPM), component accounting, cyclical servicing, and energy measurement functions. The Keystone system utilises a Microsoft SQL Server database and a Microsoft Windows application server. Mobile working is undertaken by CCBC staff using Keystone's Foundation (FOU) software on Dell tablets using Microsoft Windows 8.

Keystone components and WHQS

The Savills' survey was a component based stock condition survey which has been used to establish the data base but subsequently enhanced to ensure that each of the WHQS elements has a corresponding component or components (see appendix 1 Keystone Component List). Certain WHQS elements do not relate to a physical component and can only be confirmed as compliant by surveyor observation.

There are approximately 13,500 property assets in the system – homes, garages, block and communal assets. After the initial data conversion of the Savills' survey an exercise was undertaken to identify components that had been installed by CCBC planned maintenance works, responsive repairs, and end of tenancy works. This improved the data quality by replacing cloned data based on estimated component ages with data based on actual installation dates within specific properties. Component information continues to be updated via stock condition surveys and works contracts.

Updating component information via stock condition surveys

There are separate internal and external works surveys. Surveyors conduct internal condition surveys via tablet pcs and record compliance status for WHQS components. At the same time a contract survey is undertaken to identify all the items of work required prior to the 2020 deadline. Where no work is required for a component prior to 2020, surveyors will update the Keystone database with their assessment of when the item will require repair/renewal. This also applies for external works surveys.

Updating component information via contract works

In order to ensure that every Council owned home is compliant with WHQS each individual property is added to both an internal and external contract of works, even if no works are to be undertaken on a property. Contracts are created within the Keystone contract management module. For internal works these contracts usually contain 20 to 30 properties and may also have sub contracts for associated works where a separate contractor is undertaking the work e.g. heating, electrics, tiling, flooring, or asbestos works.

Contract surveys are carried out that identify works required using a schedule of rates (SOR). These SOR items are added to a schedule of works (SOW) for each property. Where works are not required because components are already compliant (and will be at 2020) dummy SOR items are added at an elemental level i.e. one per kitchen, bathroom, heating, and electrics, rather than component level. The same applies for external work that has been previously achieved.

The same elemental level approach is used for recording acceptable fails under WHQS. For example if kitchen work is refused by a tenant individual acceptable fails would not be recorded against all components within a kitchen, but a single fail against the kitchen as a whole would be recorded. This approach has been adopted as a practical measure to reduce the complexity of the surveying process and to reduce the overall number of data items recorded.

Recording actual works required, acceptable fails and work that has been previously achieved enables compliance to be tracked for each individual property within the WHQS Programme. The data collected from the surveys is extracted and loaded into a data warehouse which is then used for management reporting.

The table below shows a typical data warehouse table for three properties in the same contract.

Data item	Property 1	Property 2	Property 3
Contract ID	54	54	54
Property Reference	A1960023	A1960027	A1960033
Kitchen Element	Type-Kitchen Full Works	Type-2 kitchen	
Bathroom Element	Type-Bathroom with wet room and WC	Type-2 bathroom	
Electrics Element	Type-In House Rewire	Type-No Type Specified	Type-No Type Specified
Heating Element	Type-Radiator Renewal	Achieved Previously	Type-Boiler and Rads Renewal
Unsurveyed Count			1
Completion Status	3. Complete	1. Incomplete	
Complete Count	1	0	
No Work Count			
Compliant	1		

Property 1 is WHQS compliant in relation to internal elements because works have been completed to kitchen, bathroom, electrics and heating. Property 2 is not yet compliant because the works identified on the kitchen, bathroom and electrics have not been completed, but the heating element is already compliant and requires no work. Property 3 has been identified as “un surveyed” because there are items missing from the kitchen and bathroom elements.

As each SOR item has a value it is possible to track commitment costs for each property and contract in the WHQS Programme. Schedule of work items for a property are marked as completed and then valued using the Keystone system, providing actual cost information. Variations to the original schedule of work can also be identified and monitored.

Completions and variations can be undertaken on site using tablet pcs or in the office.

The data collected for each contract is used by the Keystone system to produce;

- Automated letters to tenants
- Bills of quantities
- Valuations
- Site instructions
- Other contract documentation

This provides significant efficiencies as schedules of works, tenants, properties and contract related data does not have to be re keyed in order to populate these documents. This approach ensures that everyone involved in the process is working from a single set of data within the Keystone system. Keystone also stores scanned image copies of kitchen / bathroom plans, contract related spreadsheets and other associated documentation against individual contracts providing a full audit trail.

When contracts have been completed all works carried out in that contract that relate to the components listed in the Appendix 1 (Keystone Component List) are automatically updated with actual component installation dates and with new replacement dates beyond 2020.

Data Audits

The Keystone system has an audit table associated with most of the major database tables. These audit tables track the majority of the insert, update and delete transactions undertaken by users within the system, together with the name of the user carrying out the transaction and the date that the transaction took place. A comprehensive audit trail is therefore available for changes to the information held in the database.

In addition to the internal audit tables within Keystone CCBC staff who manage the database have developed a range of audit reports that identify errors and inconsistencies within the data. These reports are checked by staff and corrections applied when necessary.

Data Warehousing

WHQS information within the Keystone database is regularly extracted, transformed and loaded into the data warehouse where it is combined with information from the other housing systems. The use of the data warehouse enhances performance management reporting and management decision making.

The data warehouse facilitates the snapshotting and storage of WHQS performance management information which allows the historical context to be preserved in order to accurately evaluate performance over time.

The data warehouse also allows for enhanced auditing of data within the Keystone system. To aid interrogation of the database a series of financial, contract and customer satisfaction dashboards have been developed. All dashboards have high level summary data but can be searched down to individual properties.

WHQS Compliance Certificates

In the period to 2020 tenants will be provided with a pass/ fail certificate where a property is being re let together with information from the indicative works programme as to when it is anticipated the property will be fully compliant. This information can be generated from the Keystone database.

WHQS Progress and Reporting

Delivering the WHQS is a Corporate Plan priority for the Council.

The WHQS Programme is an Improvement Objective (Investment in homes to transform lives and communities); is part of the 2013-16 Outcome agreement No 3 with Welsh Government (Welsh Homes Improving Quality); and is a priority in the Single Integrated Plan under the Prosperous Caerphilly theme (P2 Improve standards of housing and communities).

In September 2012 a Caerphilly Homes Task Group was established with 7 tenants and 7 councillors. The terms of reference include:

“To review and make recommendations on the overall strategic direction and allocation of resources appertaining to the WHQS and the housing service” and

“To monitor progress in achieving the WHQS and the service improvement commitments made in the addendum document issued to tenants as part of the ballot process.”

A half year and a full year report is presented which sets out progress across all the contracts with a volume metrics analysis and expenditure analysis. Based on the customer satisfaction surveys there is a summary of overall satisfaction and an assessment of the extent to which the Charter for Trust service standards are being met by the contractors.

The Caerphilly Homes Task Group is consulted on any programme changes necessary to ensure the overall objective of delivering WHQS by 2020 is achieved.

Key changes to the investment plan and additional measures to support the implementation of the programme are determined by the Cabinet.

The Policy and Resources Scrutiny Committee receive regular reports relating to performance against annual targets.

There is a tenants' Repairs and Improvements Group which is monitoring progress towards the WHQS against the commitments made by the Council at the time of the ballot.

Independent Verification

The Internal Audit service will be used to verify the systems used to collect, store, and ensure the accuracy of information used to demonstrate progress in implementing the WHQS Programme. Provision will be made in the Internal Audit Plan on an annual basis to test aspects of the system and ensure the validity of the information used to demonstrate compliance with WHQS.

An initial review of data collection and management was undertaken by Internal Audit during early 2015. This identified a number of improvements and in particular there should be one

integrated system providing a comprehensive data base for all management information. An action plan is being prepared in conjunction with the IT Service to address the audit recommendations.

Annual Financial Investment in Stock

The Welsh Government has a requirement for retention local authorities to prepare a housing stock Business Plan. The Business Plan is a long term financial forecast reliant on key assumptions to assess the financial viability of achieving and maintaining the Welsh Housing Quality Standard within a timeframe.

The Business Plan is a key document for WG as part of the criteria for awarding the Major Repairs Allowance (MRA) grant. The purpose of the MRA is to provide a financial contribution towards the cost of capital works to achieve the WHQS by 2020 and maintain it thereafter. The Business Plan is submitted annually to support the MRA application and has a 30 year time horizon. It identifies all the costs required to operate the Housing Revenue Account (HRA) as well as forecasting rental income streams and potential operating surpluses that can be utilised to fund the WHQS capital programme. It is, however, reliant on making assumptions at a point in time and the Business Plan does have to be regularly updated due to constantly changing circumstances. Assumptions underpinning the Business Plan relate to:

- Interest Rates
- Inflation
- Rental increases
- Voids and bad debts
- Right to Buys
- Management and Response costs

Changes in these assumptions will affect the level of operating surpluses that the programme is dependent on, as well as increasing risks to the cost of borrowing that the Business Plan relies on. Significant assumption changes can therefore have an impact on meeting and maintaining WHQS.

The 15% stock condition survey carried out by Savills in 2008 has formed the basis for the financial modelling in the Business Plan for the capital investment that is required to meet and maintain the WHQS. The 15% data has been extrapolated to the whole of the housing stock to produce a financial requirement per property to achieve WHQS. As the works programme progresses and more up to date information on each property is collected, the financial assumptions used from the Savills survey are updated in both Keystone and the Business Plan.

The current Business Plan has original data from the Savills survey from 2020/21 onwards. Capital works to 2019/20 are constantly updated to reflect actual work required to achieve WHQS by 2020. Current indications suggest £216m is required to meet the standard by 2020.

It is anticipated that works from 2020/21 will be revised in the Business Plan once the WHQS is near completion so that all components identified are included in the correct year going forward for their expected lifecycle replacement.

The Business Plan works on unit cost per total stock for the major cost elements and multiplies this against the estimated stock levels expected in each year based on assumptions about Right to Buy. The cost per unit for Capital and Response is shown in Appendix 2. This is taken from the current Business Plan and therefore reflects the current WHQS position up to 2019/20 and the Savills costs per unit from 2020/21 onwards. The Response and Cyclical cost reflect the current position and maintains this for the remainder of the plan. The plan accounts for inflationary increases year on year as a key assumption.

In April 2014 self financing was introduced in Wales. This enables Welsh local authorities with housing stock to retain all the rental income generated from the housing stock replacing the limitation imposed by the previous HRA subsidy system. In order to become self financing the local authorities had to make a one off payment to buy out the subsidy and agree to a borrowing cap.

The cost of the buy out has been factored into the current Business Plan with a significant increase in interest and loan charges. This has been offset favourably from the savings achieved by no longer paying a negative subsidy charge. However the introduction of the borrowing cap has limited the flexibility if there are any major cost increases in the WHQS Programme. The current plan borrowing requirement is £44m to meet the standard by 2020 with some £16m headroom before the cap is reached. The Business Plan has to ensure the borrowing limit is not compromised while still ensuring WHQS achievement by 2020.

The annual capital programme flows from the investment strategy and Business Plan that sets out how the WHQS will be delivered by 2020. The renewals and improvements are based on either internal or external works grouping relevant components together to create works contracts by community area. The capital programme budget for 2015/16 is £36m. The renewals element is £30m based on a planned programme of work to 4,500 properties. Due to the slippage that has arisen and the increase in the carried forward balances within the HRA a first tranche of borrowing is not projected as being required until the 2016/17 year.

Actual expenditure is showing significant variances from the Savills cost plan estimates, particularly for external works. A cost plan review will be undertaken prior to the 2016/17 financial year to examine the trend in the valuations for the internal works together with tendered prices on external works contracts in the Upper Rhymney Valley and the Eastern Valleys together with an assessment of the impact on the Business Plan.

Community Benefits

The Council is committed to ensuring that the WHQS capital investment delivers wider outcomes to help transform lives and communities. Community benefit clauses have been incorporated within the supply partner and the main internal works contracts. These are longer term contracts and include both core and non core community benefits.

The supply partner contract worth an estimated £70m over a period of 10 years requires Robert Price to create the following minimum opportunities throughout the contract period as a core requirement of the contract:

- 1000 FTE person weeks of employment opportunities
- 50 unwaged work experience opportunities for people aged 16+
- 5 apprentice starts and completions
- 10 employment opportunities for people registered as long term unemployed (more than 26 weeks)

The contract places an obligation on the supply partner to complete the Value Wales Toolkit on an annual basis but this has proved difficult when collating information relating to the benefits and impact of a materials supply only contract.

The internal works contractors are required to deliver the following minimum requirements as core:

	Numbers – Lot 1	Lots 2 & 3
Permanent F/T Employment Opportunities	18	6
Opportunities for Long Term Unemployed	12	6
Apprenticeship Starts and Completions	24	12
Unwaged Work Experience Opportunities (16+)	120	60
Graduate Opportunities	6	6

In addition the following core requirements are also included:

- Deliver a minimum of 6 meet the buyer events
- Pay all supply chain partners within 10 days of invoice
- Advertise all tier 2 opportunities via the Sell 2Wales website
- Provide training and transfer of business acumen to supply chain
- Undertake 18 primary and secondary school visits throughout the duration of the contract (18 per lot)
- Volunteer at 18 school / college events (18 per lot)
- Work with schools / colleges to help develop bespoke qualifications
- Minimise the amount of waste sent to landfill
- Minimise / avoid movements and associated business mileage

The following non core requirements have been included in the internal works contract arrangements:

- Adoption of the Living Wage
- Add value to existing community initiatives
- Add value to existing community funds

In order to capture the impact and benefits generated as a result of incorporating community benefits into WHQS internal works contracts the contractors are mandated to complete the Value Wales Toolkit on a bi annual basis.

Around 50% of the total programme will be undertaken by the Council's in house work force. The majority of this work force resides within the County Borough and as a result will spend part of their salaries locally helping to sustain the local economy. The workforce has been increased to around 145 operatives from the original 100 through a combination of permanent, fixed term and agency contracts.

The Council is using the small lots exemption within the Public Contracts Regulations to target a percentage of the external improvement works on Caerphilly based companies to bring direct benefit to the local economy.

Consultation

The Compliance Policy has been the subject of consultation with the tenants Repairs and Improvements Group; the Caerphilly Homes Task Group; Policy and Resources Scrutiny Committee. The Cabinet considered the final draft and recommended the policy for adoption by the Council.

(Consultation responses to be incorporated as appropriate)

Approval

The Compliance Policy was approved by Council on x March 2016.

Appendices

Appendix 1 Keystone Component List

Appendix 2 Financial Investment in Stock (based on current business plan assumptions)

Phil G Davy
Head of Programmes

(First Draft July 2015)

APPENDIX 1 – KEYSTONE COMPONENT LIST

Repair Element	Parent Component	Child Component	Child Component Attribute
Bathrooms	Bathroom	Bathroom	Bathroom Only
Bathrooms	Bathroom	Bathroom	Bathroom with Shower
Bathrooms	Bathroom	Bathroom	Shower Over Bath
Bathrooms	Bathroom	Bathroom Extract Fan	Present/Not Present
Bathrooms	Bathroom	Bathroom Layout	Adequate
Bathrooms	Bathroom	Bathroom Layout	Inadequate-Imprvmnt Not Poss
Bathrooms	Bathroom	Bathroom Layout	Inadequate-Imprvmnt Possible
Bathrooms	Bathroom	Bathroom non-slip floor	Present/Not Present
Bathrooms	Bathroom	W.C. (Additional)	Present/Not Present
Bathrooms	Bathroom	WHB (Additional)	Present/Not Present
Heating Systems	Heating Systems	Condensation/Damp/Ventilation	Condensation/Damp/Ventilation
Heating Systems	Heating Systems	Heating - Boiler type	Electric Heating
Heating Systems	Heating Systems	Heating - Boiler type	From Communal Boiler
Heating Systems	Heating Systems	Heating - Boiler type	Gas Boiler
Heating Systems	Heating Systems	Heating - Boiler type	Gas with Back Boiler
Heating Systems	Heating Systems	Heating - Boiler type	Oil Boiler
Heating Systems	Heating Systems	Heating - Boiler type	Other
Heating Systems	Heating Systems	Heating - Boiler type	Solid fuel
Heating Systems	Heating Systems	Heating - Boiler type	Gas Condensing Boiler
Heating Systems	Heating Systems	Heating - Boiler type	Air/Solar Source Heating
Heating Systems	Heating Systems	Heating - Boiler type	Planned CESP boiler works
Heating Systems	Heating Systems	Heating - Radiators/Storage heaters	Radiator Heating
Heating Systems	Heating Systems	Heating - Radiators/Storage heaters	Storage Heating
Heating Systems	Heating Systems	Plumbing (CWST & HWST)	Present/Not Present
Heating Systems	Heating Systems	Water Main	Present/Not Present
Communal	Communal Bathrooms	Communal Bathroom	Present/Not Present
Communal	Communal Bathrooms	Communal Plumbing Distribution	Present/Not Present
Communal	Communal Bathrooms	Communal Shower Rooms	Present/Not Present
Communal	Communal Bathrooms	Communal W.C/Disabled W.C	Present/Not Present
Communal	Communal Bin Store	Communal Bin Store/Refuse Chute	Present/Not Present
Communal	Communal Boilers	Communal Boiler	Present/Not Present
Communal	Communal Electrical	Communal CCTV	Present/Not Present
Communal	Communal Electrical	Communal Door Entry System	Present/Not Present
Communal	Communal Electrical	Communal External Security/Walkway Lighting	Present/Not Present
Communal	Communal Electrical	Communal Fire Alarm Systems	Present/Not Present
Communal	Communal Electrical	Communal Mains Electrical Distribution	Present/Not Present
Communal	Communal Electrical	Communal Wiring/Emergency Lighting	Present/Not Present
Communal	Communal Ext Doors	Communal Doors - Main Entrance	Present/Not Present
Communal	Communal Ext Doors	Communal Doors - Secondary Entrance	Present/Not Present

Repair Element	Parent Component	Child Component	Child Component Attribute
Communal	Communal Ext Doors	Communal Doors - Store Room/Boiler Room	Present/Not Present
Communal	Communal Kitchens	Communal Kitchen	Commercial
Communal	Communal Kitchens	Communal Kitchen	Domestic
Communal	Communal Lifts	Communal Passenger Lift	1 to 2 Floors Served
Communal	Communal Lifts	Communal Passenger Lift	3 to 5 Floors Served
Communal	Communal Roof	Communal Chimney	Present/Not Present
Communal	Communal Roof	Communal Fascias/Soffit/Bargeboards	Not Present (open or finlock)
Communal	Communal Roof	Communal Fascias/Soffit/Bargeboards	Present/Not Present
Communal	Communal Roof	Communal Loft Insulation (mm)	100mm or Less
Communal	Communal Roof	Communal Loft Insulation (mm)	101 - 199mm
Communal	Communal Roof	Communal Loft Insulation (mm)	200mm +
Communal	Communal Roof	Communal Loft Insulation (mm)	Not Applicable
Communal	Communal Roof	Communal Rainwater Goods	External
Communal	Communal Roof	Communal Rainwater Goods	Finlock Lining
Communal	Communal Roof	Communal Rainwater Goods	Internal
Communal	Communal Roof	Communal Roof - Flat	Asphalt
Communal	Communal Roof	Communal Roof - Flat	Corrugated Sheeting
Communal	Communal Roof	Communal Roof - Flat	Felt
Communal	Communal Roof	Communal Roof - Flat	Lead/Other Specialist
Communal	Communal Roof	Communal Roof - Flat	Other
Communal	Communal Roof	Communal Roof - Pitched	Clay
Communal	Communal Roof	Communal Roof - Pitched	Concrete Tiles
Communal	Communal Roof	Communal Roof - Pitched	Natural Slate
Communal	Communal Roof	Communal Roof - Pitched	Other/Specialist
Communal	Communal Roof	Communal Roof - Pitched	Synthetic Slate
Communal	Communal Roof	Communal Roof Structure Sagging	Sagging at party wall
Communal	Communal Windows	Communal Window	Present/Not Present
Electrical Systems	Electrical System	Ceiling Track Hoist - NEW not Savills	Present/Not Present
Electrical Systems	Electrical System	Consumer Unit	Present/Not Present
Electrical Systems	Electrical System	Detector - CO (Carbon Monoxide)	Present/Not Present
Electrical Systems	Electrical System	Drymaster - NEW not Savills	Present/Not Present
Electrical Systems	Electrical System	Lighting External	Present/Not Present
Electrical Systems	Electrical System	PV Panel - NEW not Savills	Present/Not Present
Electrical Systems	Electrical System	PV Panel Invertor - NEW not Savills	Present/Not Present
Electrical Systems	Electrical System	Stairlift - NEW not Savills	Present/Not Present
Electrical Systems	Electrical System	Vertical Lift - NEW not Savills	Present/Not Present
Electrical Systems	Electrical System	Wiring	Wiring - Certified
Electrical Systems	Electrical System	Wiring	Certificate Electrical EOT
External Doors	External Door	Door - External Front/Back/Side/Balcony	Fibre Glass

Repair Element	Parent Component	Child Component	Child Component Attribute
External Doors	External Door	Door - External Front/Back/Side/Balcony	PVCu
External Doors	External Door	Door - External Front/Back/Side/Balcony	Steel
External Doors	External Door	Door - External Front/Back/Side/Balcony	Timber
External Doors	External Door	Door - Flat Direct Entrance	Present/Not Present
External Doors	External Door	Doors - Patio	Fibre Glass
External Doors	External Door	Doors - Patio	PVCu
External Doors	External Door	Doors - Patio	Steel
External Doors	External Door	Doors - Patio	Timber
External Doors	External Stores	Door - External Store (to dwelling)	PVCu/GRP/Other
External Doors	External Stores	Door - External Store (to dwelling)	Timber
External Doors	Outbuilding Door	Door - Outbuilding	Other
External Doors	Outbuilding Door	Door - Outbuilding	Timber
External Works	Balcony	Balcony Balustrading / Railings	Present/Not Present
External Works	Balcony	Balcony/Walkway Floor	Present/Not Present
External Works	Canopies	Canopy	Present/Not Present
External Works	Disabled Adaptations	Disabled Adaptation	Handrails to Steps/Ramp
External Works	DPC	DPC/Dampness	Present/Not Present
External Works	Drainage	Drainage	Drainage
External Works	Fences Gates & Walls	Fences/Gates	Metal Security
External Works	Fences Gates & Walls	Fences/Gates	Present Other
External Works	Fences Gates & Walls	Walls - Boundary	Present/Not Present
External Works	Lintels	Lintel	Lintels
External Works	Parking	Parking (on Roadway)	Present/Not Present
External Works	Parking	Parking Off-Road (within demise)	Present/Not Present
External Works	Paths & Hardstands	Paths & Hardstanding	Present/Not Present
External Works	Porch (pod type)	Porch	Present/Not Present
External Works	Structural Stability	Structural Stability / repair	Structural Stability / repairs
External Works	Structural Stability	Structural Stability / repair	No Structural Issues
External Works	Wall	Wall - Finish	Insulated overcladding
External Works	Wall	Wall - Finish	Non Trad
External Works	Wall	Wall - Finish	Other Cladding / Panelling
External Works	Wall	Wall - Finish	Pointed Brickwork
External Works	Wall	Wall - Finish	Pointed Stonework
External Works	Wall	Wall - Finish	Render
External Works	Wall	Wall - Finish	Tile Hanging
External Works	Wall	Wall - Finish	Un-Repaired Non Trad.
External Works	Wall	Wall - Insulation	Cavity Filled
External Works	Wall	Wall - Insulation	Cavity Unfilled
External Works	Wall	Wall - Insulation	Solid Insulated
External Works	Wall	Wall - Insulation	Solid Uninsulated
External Works	Wall	Wall - Insulation	Planned CESP solid wall insulation
External Works	Wall Outbuilding	Walls - Outbuilding	Other
External Works	Wall Outbuilding	Walls - Outbuilding	Pointed Brickwork/Stonework

Repair Element	Parent Component	Child Component	Child Component Attribute
Garages	Garage	Door - Garage	Other
Garages	Garage	Door - Garage	Steel
Garages	Garage	Door - Garage	Timber
Garages	Garage	Roof - Garage	Flat Roof
Garages	Garage	Roof - Garage	Pitched Roof
Garages	Garage	Walls - Garage	Other
Garages	Garage	Walls - Garage	Pointed Brickwork/Stonework
Garages	Garage	Window - Garage	Present/Not Present
Kitchens	Kitchen	Kitchen	Present/Not Present
Kitchens	Kitchen	Kitchen Extract Fan	Present/Not Present
Kitchens	Kitchen	Kitchen Layout	Adequate
Kitchens	Kitchen	Kitchen Layout	Inadequate-Imprvmnt Not Poss
Kitchens	Kitchen	Kitchen Layout	Inadequate-Imprvmnt Possible
Kitchens	Kitchen	Kitchen non-slip floor	Present/Not Present
Mains Pow. Detectors	Detectors	Detector - Multisensor (hard wired)	Present/Not Present
Mains Pow. Detectors	Detectors	Heat Detector - NEW not Savills	Present/Not Present
Mains Pow. Detectors	Detectors	Smoke Detectors (Hard Wired)	Present/Not Present
Other Items	Other Items	Asbestos information	Asbestos survey - full
Other Items	Other Items	Asbestos information	Asbestos survey - partial
Other Items	Other Items	Asbestos information	Full Management Survey - Void
Other Items	Other Items	Asbestos information	Full Management Survey - WHQS
Other Items	Other Items	Asbestos information	Full Management Survey - Historic
Other Items	Other Items	Asbestos information	Localised R&D Survey
Other Items	Other Items	Asbestos information	Partial Survey
Other Items	Other Items	Asbestos information	Bulk Sample Certificate
Other Items	Other Items	Asbestos information	Certificate of Cleanliness
Other Items	Other Items	Asbestos information	Clearance Certificate
Other Items	Other Items	Asbestos information	Work on non-licensed asbestos
Other Items	Other Items	Asbestos information	Asbestos Removed
Other Items	Other Items	Improvements to flats	Bedsit Modification
Other Items	Other Items	Sound Insulation	Potential Excessive Noise
Other Items	Other Items	Sound Insulation	Sound Insulation Difficulties
Other Items	Other Items	Z - Other Item	General Repairs / Dis-repair
Other Items	Other Items	Z - Other Item	Plaster repairs - walls/ceilings
Roofs & Associated	Outbuilding Roof	Roof - Outbuilding	Flat Roof
Roofs & Associated	Outbuilding Roof	Roof - Outbuilding	Pitched Roof
Roofs & Associated	Roof	Chimney	Present/Not Present
Roofs & Associated	Roof	Common attic void	Yes/No
Roofs & Associated	Roof	Fascias/Soffit/Bargeboards	Not Present (open or finlock)
Roofs & Associated	Roof	Fascias/Soffit/Bargeboards	Present/Not Present
Roofs & Associated	Roof	Loft Insulation (mm)	100mm or Less

Repair Element	Parent Component	Child Component	Child Component Attribute
Roofs & Associated	Roof	Loft Insulation (mm)	101 - 199mm
Roofs & Associated	Roof	Loft Insulation (mm)	200mm +
Roofs & Associated	Roof	Loft Insulation (mm)	Not Applicable
Roofs & Associated	Roof	Loft Insulation (mm)	CESP loft insulation 270mm+
Roofs & Associated	Roof	Rainwater Goods	External
Roofs & Associated	Roof	Rainwater Goods	Finlock Lining
Roofs & Associated	Roof	Rainwater Goods	Internal
Roofs & Associated	Roof	Roof - Flat	Asphalt
Roofs & Associated	Roof	Roof - Flat	Corrugated Sheeting
Roofs & Associated	Roof	Roof - Flat	Felt
Roofs & Associated	Roof	Roof - Flat	Lead/Other Specialist
Roofs & Associated	Roof	Roof - Flat	Other
Roofs & Associated	Roof	Roof - Pitched	Clay
Roofs & Associated	Roof	Roof - Pitched	Concrete Tiles
Roofs & Associated	Roof	Roof - Pitched	Natural Slate
Roofs & Associated	Roof	Roof - Pitched	Other/Specialist
Roofs & Associated	Roof	Roof - Pitched	Synthetic Slate
Roofs & Associated	Roof	Roof Structure Sagging	Sagging at party wall
WHQS	WHQS	WHQS 1a) Is the house structurally stable & no disrepair? (P)	Yes/No
WHQS	WHQS	WHQS 1b) Is the dwelling free from damp? (P)	Yes/No
WHQS	WHQS	WHQS 2) Window limiting stays fitted on first floor windows?	Yes/No
WHQS	WHQS	WHQS 2a) Stairs must have at least one handrail (P)	Yes/No
WHQS	WHQS	WHQS 2b) Adequate space for kitchen appliances (S)	Yes/No
WHQS	WHQS	WHQS 2c) Work surface sufficient for food preparation (S)	Yes/No
WHQS	WHQS	WHQS 2d) Kitchen storage sufficient to meet needs (S)	Yes/No
WHQS	WHQS	WHQS 2e) Kitchen sockets sufficient & convenient (S)	Yes/No
WHQS	WHQS	WHQS 2fi) Flooring to the kitchen non-slip (S)	Yes/No
WHQS	WHQS	WHQS 2fii) Flooring to the bathroom non-slip (S)	Yes/No
WHQS	WHQS	WHQS 2g) External fire escape (S)	Yes/No
WHQS	WHQS	WHQS 2h) Adequate fire alarm equipment (NOT SMOKE) (P)	Yes/No
WHQS	WHQS	WHQS 2i) Bedrms have escape route not passing thru other roo	Yes/No
WHQS	WHQS	WHQS 2k) Bedroom window locks	Yes/No

Repair Element	Parent Component	Child Component	Child Component Attribute
		without automatic locking (S)	
WHQS	WHQS	WHQS 2n) Doors & windw have reasonable level of security (P)	Yes/No
WHQS	WHQS	WHQS 2o) Gardens safe for play & easy to maintain (P)	Yes/No
WHQS	WHQS	WHQS 3b) Ext doors & windows adequately draught proofed (P)	Yes/No
WHQS	WHQS	WHQS 3c) Living room separated from main entrance (S)	Yes/No
WHQS	WHQS	WHQS 3d) Hot water tank effectively insulated (P)	Yes/No
WHQS	WHQS	WHQS 4b) Adequate facilities for washing, drying & airing (S)	Yes/No
WHQS	WHQS	WHQS 6a) Roads & footpaths accessible & safe (S)	Not Applicable
WHQS	WHQS	WHQS 6a) Roads & footpaths accessible & safe (S)	Yes/No
WHQS	WHQS	WHQS 6b) Landscaping affects safety in protected areas (S)	Yes/No
WHQS	WHQS	WHQS 6c) Is there adequate street lighting (S)	Yes/No
WHQS	WHQS	WHQS 6d) Adequate & safe play space for young children (S)	Yes/No
WHQS	WHQS	WHQS 6e) Adequate/practical/maintainable communal areas (S)	Yes/No
WHQS	WHQS	WHQS 6f) Dwellings clearly identified with defined boundary	Yes/No
WHQS	WHQS	WHQS 6g) Utility services practically located & identified (S)	Yes/No
WHQS	WHQS	WHQS 7a) Dwelling has sufficient space for everyday living	Yes/No
WHQS	WHQS	WHQS 7b) Internal & external general storage space adequate	Yes/No
WHQS	WHQS	WHQS 7c) Dwelling layout meet the special cultural needs (S)	Yes/No
WHQS	WHQS	WHQS 7d) Dwelling has necessary adaptations (S)	Yes/No
WHQS	WHQS	WHQS 7e) Garden with level area >=10m2 near dwelling (S)	Yes/No
WHQS	WHQS	WHQS 7f) Paved access to the drying line & garden gate (S)	Yes/No
WHQS	WHQS	WHQS 99 Bathroom achieved previously	Yes/No
WHQS	WHQS	WHQS 99 Electrical rewiring achieved previously	Yes/No
WHQS	WHQS	WHQS 99 Heating install achieved previously	Yes/No
WHQS	WHQS	WHQS 99 Kitchen achieved previously	Yes/No
Windows	Outbuilding Window	Window - Outbuilding	Present/Not Present
Windows	Window	Windows	Other Double Glazed
Windows	Window	Windows	Other Single Glazed
Windows	Window	Windows	PVCu Double Glazed
Windows	Window	Windows	PVCu Single Glazed
Windows	Window	Windows	Timber Single Glazed
Windows	Window	Windows	Timber Double Glazed

APPENDIX 2

FINANCIAL INVESTMENT IN THE STOCK - EXPRESSED PER UNIT

	Response	WHQS	Other	TOTAL
	£	£	£	
2015/16	953	2961	373	4287
2016/17	955	2629	420	4004
2017/18	957	3191	420	4569
2018/19	959	2583	421	3963
2019/20	960	1678	422	3060
2020/21	962	381	109	1452
2021/22	964	381	109	1454
2022/23	966	381	109	1456
2023/24	968	381	109	1458
2024/25	969	1148	109	2226
2025/26	971	1371	109	2452
2026/27	973	1371	109	2454
2027/28	975	1371	109	2456
2028/29	977	1371	109	2457
2029/30	979	1371	109	2459
2030/31	980	1931	109	3021
2031/32	982	1931	109	3023
2032/33	984	1931	109	3025
2033/34	986	1931	109	3026
2034/35	988	1931	109	3028
2035/36	990	664	109	1763
2036/37	992	664	109	1765
2037/38	994	664	109	1767
2038/39	996	664	109	1769
2039/40	997	664	109	1770
2040/41	999	1219	109	2327
2041/42	1001	1219	109	2329
2042/43	1003	1219	109	2331
2043/44	1005	1219	109	2333
2044/45	1007	1219	109	2335

Based on current business plan assumptions

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POLICY AND RESOURCES SCRUTINY COMMITTEE – 19TH JANUARY 2016

SUBJECT: DRAFT CUSTOMER SERVICE STRATEGY 2016-2020

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151
OFFICER**

1. PURPOSE OF REPORT

- 1.1 To provide members with details of the draft Customer Service Strategy 2016-2020.
- 1.2 To seek Members' views on the draft strategy prior to its consideration by Cabinet.

2. SUMMARY

- 2.1 The Council's Customer Service Strategy has been in place since 2006 and has been partially updated on a number of occasions. However, the financial environment in which we operate has changed significantly in the last few years, as have the expectations of our customers who are increasingly expecting services to be available on-line. There is therefore a clear need to put a new customer service strategy in place.
- 2.2 The main thrust of the strategy is to improve the consistency of customer service across the organisation; to meet customer expectations that services will be available online which will also reduce the cost of customer contact; and to develop in-person customer service so that it is more focused on delivering complex services or dealing with more vulnerable or disadvantaged customers.
- 2.3 The strategy, once formally agreed, will be supported by a Delivery Plan that will be monitored by the Corporate IT Strategy Group (CITSG), of which the Deputy Leader and Cabinet Member for Corporate Services is a member.

3. LINKS TO STRATEGY

- 3.1 The Customer Service Strategy supports the Strategic Equality Plan with specific links to Strategic Equality Objectives 3 and 4, Physical Access and Communications Access, by helping make Council services accessible to everyone. It also links to Strategic Equality Objective 6, Diversity in the Workplace, by raising the awareness of Equalities and Welsh Language issues amongst staff dealing with customers.
- 3.2 The Customer Service Strategy also links to the Corporate Complaints Policy
- 3.3 The Customer Service Strategy supports four of the priorities in the Single Integrated Plan:
 - P2: Improve standards of housing and communities, giving appropriate access to services across the County Borough.

- P3: Provide support to enable local people to compete for all employment opportunities.
- S4: Ensure people are supported to live in their own homes and communities in safety.
- H5: Ensure people are supported to live in their own communities to lead safe, fulfilled and independent lives.

4. THE REPORT

4.1 In 2006 the Council agreed a Customer Service Strategy that would significantly change the way in which customers access our services. Since then the strategy has been reviewed and updated, and much of the original objectives have been met. The strategy was subjected to a Peer Review in 2008, a SOCITM Benchmarking Review in 2011 and a Welsh Audit Office Review in 2012. However, the financial environment in which we operate has changed significantly in the last few years, as have the expectations of our customers who are increasingly expecting services to be available on-line. Therefore there is a clear need to put a new customer service strategy in place.

4.2 In August 2013, the Welsh Audit Office published a review of Customer Services in Caerphilly County Borough Council conducted by Pricewaterhouse Coopers which concluded that:

“The Council provides citizens with a range of channels to access its services but its strategic approach to customer services is fragmented and in need of updating, and it does not effectively evaluate its customer services provision”

4.3 The report also made two proposals for improvement:

P1: *Develop a more co-ordinated strategic approach to customer services*

P2: *Strengthen the approach to evaluating and improving customer services in a proactive way*

The report also provides examples of good practice that Pricewaterhouse Coopers have drawn from their work across the UK.

4.4 Since the report was issued a number of actions have been taken that address these proposals, such as the reintroduction of the Viewpoint Panel. These actions have previously been reported to the Audit Committee. However, the most significant action will be the introduction of a new corporate strategy that sets out how Caerphilly CBC will develop its customer service over the next few years.

4.5 The main thrust of the strategy is to improve the consistency of customer service across the organisation; to meet customer expectations that services will be available online; to reduce the cost of customer contact; and to develop in-person customer service so that it is more focused on delivering complex services or dealing with more vulnerable or disadvantaged customers.

4.6 The main strategic outcomes of the strategy are to:

- Ensure that customers receive a consistent, positive experience across all access channels.
- Maintain a range of contact channels for each service to ensure that customers with protected characteristics and/or specific language requirements or who are vulnerable or disadvantaged, can access services in a way that is appropriate for them.
- Migrate customers to the most appropriate contact method for their enquiry to generate efficiencies and savings.

- Minimise the cost of each transaction, including the cost of the “end to end” process.
- Ensure that every contact adds value for the customer.
- Reduce the number of customer contacts by ensuring that the way we deliver services does not result in unnecessary contacts

4.7 The strategy, once formally agreed, will be supported by a Delivery Plan that will be monitored by the CITSG which will also be responsible for the approval and monitoring of projects arising from the strategy and ensuring that the strategy remains relevant. The CITSG includes the Deputy Leader and Cabinet Member for Corporate Service, the Acting Director of Corporate Services and Section 151 Officer, the Acting Head of IT Services, the Monitoring Officer, the Corporate Customer Services Manager and Senior Managers representing each Directorate.

4.8 The Corporate Customer Services Manager will be responsible for the Delivery Plan, reporting progress to CITSG and chairing a Customer Service Project Group consisting of relevant senior officers. The Corporate Customer Services Manager will also monitor customer service activity across the Council, including customer service performance standards and will report performance to CITSG.

5. EQUALITIES IMPLICATIONS

5.1 The Customer Service Strategy supports the Strategic Equality Plan across the board, but specifically links with Strategic Equality Objectives 3, 4 and 6: Physical Access, Communications Access and Diversity in the Workplace.

6. FINANCIAL IMPLICATIONS

6.1 There are no ongoing financial implications arising directly from this strategy. However, the strategy will support the Medium Term Financial Plan. To ensure a consistent standard of customer service training across all services areas, Corporate Services Reserves of up to £30k will be utilised during 2016 and 2017 to engage an appropriate training provider.

7. PERSONNEL IMPLICATIONS

7.1 There will be personnel implications arising from the adoption of this strategy as residents increasingly use digital online services rather than other contact channels.

8. CONSULTATIONS

8.1 The views of consultees are included within the report.

9. RECOMMENDATIONS

9.1 That members provide views in respect of this proposed strategy prior to its formal consideration by Cabinet.

10. REASONS FOR THE RECOMMENDATIONS

10.1 To inform Members of the detail of the strategy and to allow them to comment on the draft strategy prior to its consideration by Cabinet.

11. STATUTORY POWER

11.1 Local Government Act 2000.

Author: David Titley, Corporate Customer Services Manager,
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Consultees: Cllr Barbara Jones, Deputy Leader and Cabinet Member for Corporate Services
Nicole Scammell, Interim Director of Corporate Services and S151 Officer
Liz Lucas, Head of Procurement
Corporate Management Team
Gail Williams, Interim Head of Legal Services and Monitoring Officer

Appendices:
Appendix 1 - Draft Customer Service Strategy 2016 - 2020

Caerphilly County Borough Council

DRAFT CUSTOMER SERVICE STRATEGY 2016-2020



A greener place to live, work and visit
Man gwyrdach i fyw, gweithio ac ymweld

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1. Introduction

Caerphilly County Borough Council has a responsibility to provide a wide range of public services to the 178,000 residents of the County Borough as well as local businesses and visitors. Few organisations provide such a diverse range of services, so it is a real challenge to provide good customer service across all of them. This strategy defines the way in which we will provide access to these services for our customers in a way that supports the vision of the Single Integrated Plan – “To enhance the quality of life for all”, within the context of decreasing budgets and a society that is increasingly demanding access to digital services.

Strategic Outcomes

This strategy sets out how Caerphilly County Borough Council will develop the delivery of customer services across the Council from 2016 to 2020. It will show how we will retain a high quality customer experience whilst adding value for customers and delivering greater value for money.

The main strategic outcomes of the strategy are to:

- Ensure that customers receive a consistent, positive experience across all access channels.
- Maintain a range of contact channels for each service to ensure that customers with protected characteristics and/or specific language requirements or who are vulnerable or disadvantaged, can access services in a way that is appropriate for them.
- Migrate customers to the most appropriate contact method for their enquiry to generate efficiencies and savings.
- Minimise the cost of each transaction, including the cost of the “end to end” process.
- Ensure that every contact adds value for the customer.
- Reduce the number of customer contacts by ensuring that the way we deliver services does not result in unnecessary contacts.

2. Strategy Background

2.1. Customer Care Strategic Framework

In 2005 the Council agreed a Customer Care Strategic Framework that provided a firm foundation for the development of Customer Service Centres and other initiatives. Since then the strategy has been reviewed and updated, and much of the original objectives have been met. Over the last few years the financial environment in which we operate has changed significantly and customers are increasingly expecting services to be available online. As a result there is a clear need to update our approach to delivering customer services.

2.2. Single Integrated Plan

The Caerphilly Local Service Board's Single Integrated Plan, "Caerphilly Delivers", sets out a vision for improving the quality of life for communities in the County Borough. The Customer Service Strategy supports four of these priorities:

- P2: Improve standards of housing and communities, giving appropriate access to services across the County Borough
- P3: Provide support to enable local people to compete for all employment opportunities.
- S4: Ensure people are supported to live in their own homes and communities in safety.
- H5: Ensure people are supported to live in their own communities to lead safe, fulfilled and independent lives.



3. Context

3.1. Poverty, Welfare Reform and Digital Exclusion

Caerphilly County Borough has higher than average levels of deprivation, debt, illness and disability across a wide range of measures. The County Borough also experiences higher than average levels of digital and financial exclusion, dependence on welfare benefits, and poor basic skills. In some parts of the County Borough levels are much higher than average.

Many of our customers and communities are also being severely challenged by the current economic environment and the UK Government's Welfare Reform programme. Some residents will struggle with maintaining their benefits claims on-line and some will struggle with the move to monthly payment. This may lead to an increase in demand for complex services and customers presenting with a range of issues that they need assistance with.

What parts of the Anti-Poverty Strategy could be supported by good customer service?

Providing residents with information and advice to enable them to increase household income, reduce energy costs, develop skills to improve their financial capability and prepare for the introduction of Universal Credit.



3.2. Social care

The Social Services and Wellbeing (Wales) Act has introduced a duty for local authorities to provide information, advice and assistance to help people understand how the care and support system works, what services are available locally, and how to access the services they need now and in the future. We will ensure that all customer contact points across all access channels will be able to provide appropriate information or advice about the services that residents may need and be able to signpost them to appropriate resources or advice.

3.3. Medium Term Financial Strategy

One of the most significant challenges facing the Council is the need to make savings each year until 2020. It is inevitable that this will result in lower staffing levels which will make it increasingly difficult to maintain service levels, or even to continue providing some services. The effects of these service reductions will be mitigated in part by reducing the overall cost of customer contact. This will be achieved by:

- “Pooling” of customer access points to establish a “single front door” approach to delivering customer service.
- Helping customers to use lower cost access channels and reducing the need for customers to contact us face to face unnecessarily.
- Reducing the need for customers to contact us by making our processes more effective and customer focused.



3.4. Equality and Welsh Language

The Council will continue to develop our customer contact provision across all access channels to ensure that no one is disadvantaged by a lack of access to services or face barriers to receiving an equal service, including the development of digital services that are essential to many customers with communication disabilities. Customers will be given choices in how they contact the Council, in terms of methods and formats of communication and in terms of their preferred language. Customer facing staff will have the appropriate skills and knowledge to support that choice.

The Customer Service Strategy supports the Strategic Equality Plan across the board, but specifically links with Strategic Equality Objectives 3 and 4, Physical Access and Communications Access, by helping make Council services accessible to everyone. It also links with Strategic Equality Objective 6, Diversity in the Workplace, which covers the training made available to Customer Services staff on raising their awareness of Equalities and Welsh Language issues, especially the latter in terms of the requirements of the new Welsh Language Standards from March 2016 onwards.

4. Current Customer Service Provision

4.1. Phone Calls

There are over 2,000 extensions on the corporate telephone system which received 1,930,000 calls during 2014, with additional calls being received at some smaller sites not connected to the corporate system. Of the 1.9 million calls received 82% were answered within our target time of 20 seconds. However, performance levels are inconsistent across service areas with the proportion of calls answered within 20 seconds varying from more than 90% to less than 70%.

A further 5% were answered in more than 20 seconds, 7% were unanswered and 6% did not get through because the extension was busy. Performance levels vary across service areas with more than 13% of calls being unanswered in some service areas.

4.2. Corporate Customer Services

We have established five community-based Customer Service Centres that provide a wide range of services in Caerphilly, Blackwood, Pontlloftyn, Bargoed, Risca and at the Corporate HQ in Ystrad Mynach. The Centres have been well received by customers with about 390,000 customer contacts, including 262,000 payments and 128,000 service requests, being dealt with during 2014. The Customer Contact Centre handles about 400,000 customer contacts per year including telephone calls and on-line customer contact (e-mail, web forms and fax) for a range of service areas including Waste Management, Environmental Health, Highways, Licensing, and Blue Badges, as well as providing a switchboard and general enquiries service for the whole authority.

4.3. Housing

The Housing Division received a significant number of calls during 2014 with the Upper Rhymney Valley Office receiving 67,000 calls, the Eastern Valley Housing Office 42,000 calls and Housing Rents 44,000 calls. The reporting of council house repairs has been centralised with the establishment of a central repairs team which received 55,000 calls during 2014 and processed 26,000 repair requests.

4.4. Social Services

The only service area, apart from Corporate Customer Services, to have adopted a contact centre approach are the Adult Services Duty Information Team (ASDIT) in Adult Social Services which received 29,000 calls during 2014, logging 19,000 contacts during 2014/15.

ASDIT has recently merged with the Children's Services Contact and Referral Team which received 12,000 contacts, to form the Information, Advice and Assistance service to comply with the Social Services and Wellbeing Act.

4.5. Library Service

A key part of our Customer Services Strategic Framework in 2005 was the development of customer service centres in our larger towns to make it easier for residents to deal with the council in person. This has now been achieved through the development of award winning integrated Libraries and Customer Service Centres in Caerphilly, Risca and Bargoed. These new facilities also provide residents with access to a range of service partners such as the Citizens Advice Bureau, Shelter Cymru, Gwent Police, and Credit Unions. This development programme has resulted in the Welsh Government acknowledging us as a leading authority in the co-location of service provision in libraries. The Blackwood Customer Service Centre, which was developed as a “proof of concept”, was relocated to Blackwood Library in December 2015. Footfall in libraries has increased significantly during this development programme, with 985,000 visits being made to our 18 libraries during 2014/15.

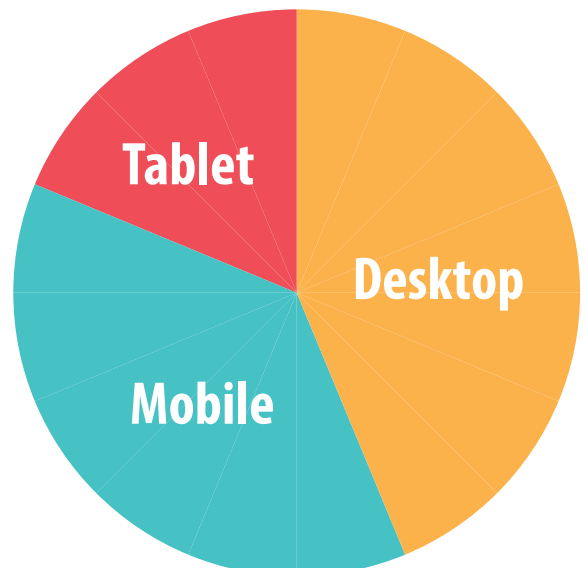
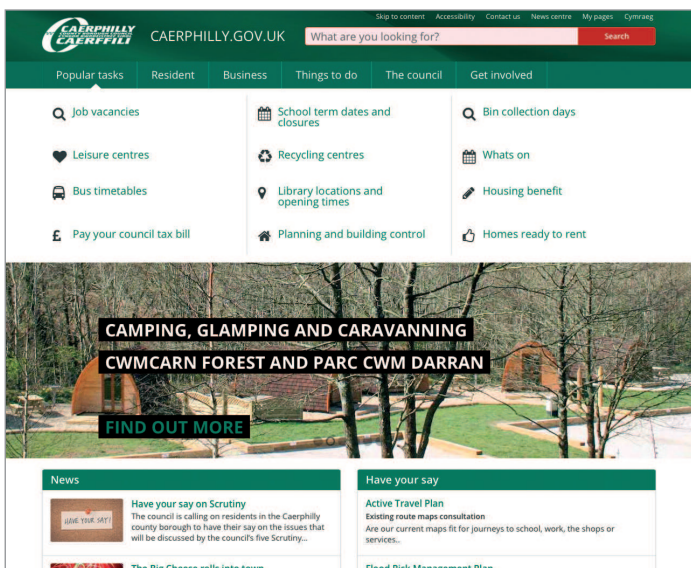
4.6. Council Tax, Benefits and NNDR

The Council Tax, National Non-Domestic Rates (Business Rates) and Benefits Teams received 196,000 calls during 2014.

4.7. Website

In recent years more and more customers are choosing to use the internet as a method of contacting us, with increasing numbers of contacts now arriving via the web, e-mail and social media. During 2014 there were 8.6 million hits on our web site which represents about 690,000 individual customer visits, with customers viewing an average of 12 pages per visit. This is an increase in visits of about 40% compared with 2011.

In UK wide benchmarking of local government websites by SOCITM, our web site has been in the top 10 for customer satisfaction for the last 5 years. The benchmarking survey also found that 80% of customers using the site found the service or information that they required, making the CCBC website the 4th best in the UK. In the 2015 SOCITM ‘Better Connected’ survey, the CCBC website was rated as ‘Three Stars’ and one of the top five council websites in Wales.



Over the last few years there has been a significant increase in the use of smartphones and tablet devices to access the internet. Monitoring of the types of devices being used to access our website has shown that in early 2014 about 48% of visits to the website were made using smartphones and tablets. However, customers using Desktops/Laptops viewed more than three times as many pages per visit than customers using smartphones and tablets. This increase in the usage of smartphones and tablets was one of the key factors in deciding to redevelop the Corporate CCBC website so that it was easier to use on Smartphones and Tablets.

In addition to the main CCBC web site we provide websites to serve specific purposes, such as the marketing of tourism venues or improving the uptake of school meals. The 10 most popular of our specialist websites received 2.7 Million hits during 2014. The most used website was the Leisure Lifestyle Website which received 1.2 million hits.

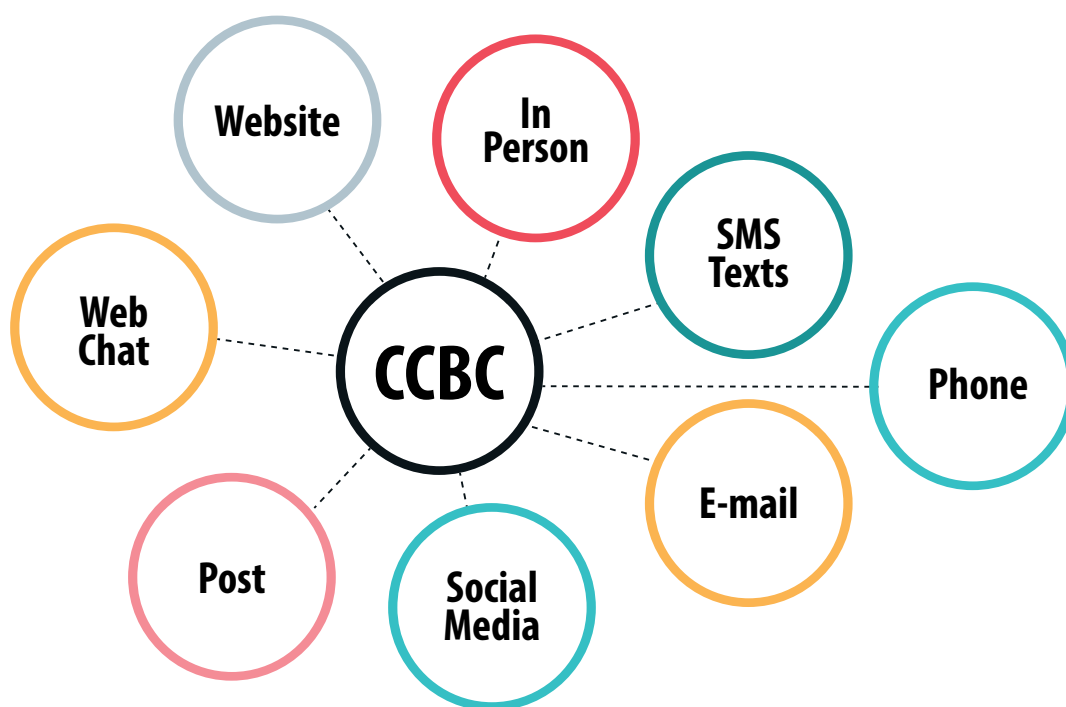
5. The Customer Service Strategy

5.1. Overview

This strategy sets out how Caerphilly County Borough Council will develop the delivery of customer service to residents and businesses across the county borough, to users of council services, visitors to the county borough and anyone who has to conduct business with the council. The strategy applies to all services of the Council from 2016 to 2020. It will show how we will retain a good customer experience across council services whilst adding value for customers and delivering greater value for money. The strategy will be supported by a Delivery Plan that will be monitored by the Corporate IT Strategy Group which will also be responsible for the approval and monitoring of projects arising from the strategy and ensuring that the strategy remains relevant.

The main strategic outcomes of the strategy are to:

- Ensure that customers receive a consistent, positive experience across all access channels
- Maintain a range of contact channels for each service to ensure that customers with protected characteristics and/or specific language requirements or who are vulnerable or disadvantaged, can access services in a way that is appropriate for them.
- Migrate customers to the most appropriate contact method for their enquiry to generate efficiencies and savings.
- Minimise the cost of each transaction, including the cost of the “end to end” process.
- Ensure that every contact adds value for the customer.
- Reduce the number of customer contacts by ensuring that the way we deliver services does not result in unnecessary contacts.



5.2. In-Person Services

The cost per contact for in-person services is higher than all other contact channels. Because of this they need to be about “high value” work rather than simple transactional contacts and we must do this in line with our current duties under Equalities and Welsh language legislation.

We will develop the role of “the front desk” to offer a wider range of services in one place to provide a more joined-up service to residents and to comply with our responsibilities under the Equalities Act and the Social Services and Wellbeing (Wales) Act.

We will provide a better signposting and referral service, with customer facing staff being more proactive in ensuring residents can access these services.

We will improve the way we deal with more complex or specialist issues at customer access points cross the county borough by developing appointments systems to better manage waiting times and improve access to specialist services and advice.

We will also build on our links with LSB partners, including the third sector, to offer a wider range of services and information to meet our obligations under the Social Services and Wellbeing (Wales) Act, and outcomes P2, P3, S4 and H5 of “Caerphilly Delivers”.

Mrs R is beside herself.

She has popped into the local office because she has had a letter telling her that she has Council Tax arrears. She has worked for 50 years and has never owed a penny.

She leaves the office much happier. The staff in the office have arranged a repayment plan for her Council Tax and have provided her with leaflets on how to reduce her water rates and save money on her gas and electric. They have told her about a group in the library that can help her learn how to use the tablet computer that her son bought her so that she can Video Call her grandson in New Zealand.

She also has an appointment with a social worker to help her with the care needs of a sister that she looks after and a Blue Badge is in the post.

We will develop the role of the 'front desk', whilst controlling the cost of delivering "in-person" services, we will reduce the number of simple transactional activities that are completed "in-person", such as receiving payments, providing information, and non-complex service requests. In general terms this may involve.

- Encouraging customers to make payments via Direct Debit, Online payment, automated payment line or phone payment
- Redesigning processes so that they take less time or are easier to provide via self-service and are more efficient.
- Encourage the use of other channels, particularly digital services, by those who are able to do so. This will ensure that expensive in-person services are targeted at disadvantaged or vulnerable customers who are unable to use lower cost channels.
- Providing supported on-line services in Libraries and other venues, where customers can use the internet but with support available to help them use the technology.

5.3. Telephone Services

We will build on the success of the Corporate Contact Centre by transferring, where appropriate, further customer contact from service areas to Corporate Customer Services, redesigning processes to reduce customer demand, encourage customers to use self-service and reducing the end-to-end cost. It may not always be appropriate to transfer contact handling to Corporate Customer Services, in which case improvements will be made by sharing technology and expertise.

We will reduce the range of numbers that we advertise to make it easier for customers to access the service that they need, to control call handling costs and to simplify our service marketing. We will retain a switchboard service, embedded in the Corporate Contact Centre, utilising a single switchboard number for the authority.

As part of this strategy we will update our Customer Service Standard for dealing with customers on the phone. Corporate IT Strategy Group will monitor performance against this standard across the Authority at service and corporate levels and include it in a corporate scorecard of Customer Service Performance Indicators. This monitoring will include analysis of system data, "mystery shopping", and customer feedback. In high volume areas we will introduce call coaching programmes to monitor the quality of call handling by staff on an individual basis and as part of the Customer Service Training Programme.

5.4. Demand Management

Many of the contacts we receive are as a result of things that we have not done or have done poorly, such as sending letters that could not be understood. By analysing this "Unneeded Demand" we can identify opportunities to change processes that will improve the customer experience and reduce the costs of service delivery. As part of the Delivery Plan the Customer Service Project Group will develop a programme of work to measure Unneeded Demand across the organisation at service and corporate levels, identifying key opportunities for improvement. Identifying key opportunities for improvement will be monitored at a corporate level by CITSG.

6. Self-Service, Digital Services and Channel Migration

6.1. caerphilly.gov.uk

Over the last few years people have increasingly used Smartphones and Tablet Devices to access the internet. As a result we have redeveloped our web site so that it works as well on Smartphones and Tablet Devices as on PC's and Laptops. We have also taken the opportunity to refresh the web site with a greater focus on providing services. We have re-evaluated all content on the site with much of it being rewritten to make it more usable, removing superfluous graphics, and making the most popular on-line services much more obvious.

To encourage customers to use the website we will continue to develop it to maximise its usefulness to customers and to make it as easy as possible to use. We will monitor use of the web site and regularly review how it is used and perceived by customers to guide ongoing development. We will add functionality to the site, such as web chat, location based services, and personalised content to increase its actual and perceived usefulness to customers. We will also pro-actively raise awareness of the website and encourage customers to use it.

6.2. Digital Services

Self-service, especially online service, is significantly cheaper to support than either telephone or in-person services, providing an opportunity to reduce the overall cost of delivering services. For many customers, Digital Services can often be more convenient due to their 24/7 availability and are essential for some customers with communication disabilities. When we review or redesign a process we will ensure that whenever possible they are optimised for self-service and focus on moving those customers who are able to self-serve to these Digital Services.

Some service requests are complex and the cost of developing them for the web may significantly outweigh any savings. For these services a phone call or a face-to-face interaction may be more cost effective when considering the total cost of delivering the service. For some customers Digital Services are not accessible, so we will ensure that processes include options for these customers to receive the service in a way that is suitable for them.

6.3. Multi-channel integration

Not all interactions are completed in a single channel transaction with customers often switching across channels to complete various parts of the transaction. Research has shown that most on-line transactions are to either gather information or to complete basic tasks such as completing simple forms. If any degree of problem solving is required, or if the customer is unsure about the information available, many will gather information online but then make a phone call, or visit an office to complete the transaction.

For some service requests it is more efficient to have a conversation with the customer and in some cases the customer has to visit an office, for example to produce documents. Many of these interactions will start with a visit to our website for information. To ensure that we provide the best possible service to these customers whilst reducing costs, we will design services where the onward process is integrated across channels and that as much as possible of the process is completed on-line. For example, customers will be encouraged to book an appointment online or to fill out an online form so that essential information is gathered in advance of the appointment.

Mr E wants a badge
Mr E wants a Blue Badge for his mother to make it easier to park when he takes her shopping. He visits our website and applies on-line. He finds that she needs to visit an office to be assessed so makes an appointment online. He receives an e-mail confirming the appointment at her local office along with information about the documents he needs to bring and how to get there. Because Mr E has already filled in most of the application form online the assessment doesn't take long and his mother receives her Blue Badge in the post a few days later.

6.4. E-mail

Free-format e-mail is as expensive to deal with as a phone call and on occasions significantly more expensive, often due to missing information. There is a place for free format e-mail, but for large volume services we need to move away from free format to encourage the use of web forms. To do this we will rationalise the number of e-mail addresses that we advertise and whenever possible respond to e-mailed service requests by sending the customer a link to a web form to complete.

E-mail is a useful tool to encourage customers to choose online services. Whenever possible customers will be asked for their e-mail address at each contact. To encourage them to make future contacts with us via online services we will send them a confirmation e-mail as soon as possible with options to opt-in to e-mail notification messages about services or subjects of interest to them. They will then receive targeted e-mails relating to the subjects that they have subscribed to, such as planned roadworks or library events. E-mails will include links to the online service they are interested in along with information to raise awareness of other online services.

6.5. Social media

The way in which we communicate over the web is evolving rapidly and we have successfully embraced a number of social media platforms over recent years as an integral part of a drive to deliver and develop new channels for communication and engagement. This has given us significant opportunities in terms of reputation enhancement, engaging with residents and businesses, encouraging greater two-way dialogue. We will actively develop communications through these new and developing channels, especially where it encourages customers to move to self-service, or it supports the needs of customers who would otherwise be disadvantaged, or it improves citizen engagement. Whenever possible we will integrate these new communications channels into our Digital Services and other access channels, ensuring that they are cost effective and deliver the Customer Service Strategic Outcomes.

6.6. Moving contact on-line and Digital Inclusion

The proportion of people in the UK using the Internet continues to grow, with growth in the last 2 years largely being driven by growth in the use of tablet devices, particularly by older people. However, for some people in Wales there are still significant barriers to accessing on-line services with Welsh Government research estimating that 19% of Welsh adults did not use the internet. However, 35% of those aged 50 and over, 31% of social housing tenants and 38% of Disabled People did not use the internet, groups that are disproportionately represented in the population of Caerphilly county borough.

Being able to access the internet is only one part of the picture, with many people able to access the internet but lacking the skills, enthusiasm or confidence to use digital services. The National Survey for Wales 2014/15 found that amongst adults in Wales who use the internet at least once a week, only 62% had visited a Welsh Public Service website in the previous 12 months with less than 41% completing any sort of transaction such as booking an appointment or paying a bill

For a large percentage of our residents, the barriers to using CCBC on-line digital services are much lower. To increase uptake amongst these residents we will implement a marketing strategy, including the active promotion of on-line services during customer contacts using other access channels and regularly communicating with customers via e-mail and new media. We will monitor how customers use and perceive our Online Services to identify barriers to their use and develop these services to remove those barriers.



7. Customer Service Standards

Our customer service standards are in need of review in light of recent changes in policy, legislation, priority, customer expectations and new technologies. We will review these standards as we move towards greater use of digital services to ensure our standards are fit for purpose. The revised standards will be monitored by the Corporate IT Strategy Group.

8. Customer Service Skills and Competencies

8.1. Customer Service Competencies

Customer Service is now one of the nine core competencies that defines every job in the Council and is defined at 5 different levels. This has meant that over the last few years standardised customer service competencies have been included in all new or updated Job Descriptions and should also be a key part of the Performance Development Review and on-going performance discussions. To support staff in meeting the Customer Service competencies and ensure that they apply common standards and values, understand their role and provide a consistently good customer experience across the organisation we will implement a corporate customer services development programme.

8.2. Customer Service Training

A key part of ensuring that customers receive a consistently good customer service is ensuring that staff who deal with customers are properly trained and informed. To achieve this we will implement, over the next two years, a centrally organised Customer Service Training Programme consisting of short courses for customer facing staff, supported by a variety of on-line and off-line resources.

9. Information Management & Technology

IT solutions will continue to be developed or revised to support the further provision of streamlined digital services to customers as part of a defined programme of work. This development plan will be approved by the Corporate IT Strategy Group (CITSG) and underpinned by redesign of business processes and use of consistent software development principles based upon innovative, reliable, cost-effective software and hardware technologies thereby maximising the business benefit derived from the available resources. Each project within the plan will be subject to the approval of a viable Business Plan by CITSG.

In order to achieve such business benefits, new technologies and approaches will be researched and adopted where appropriate. Examples of such enhancements considered for future deployment are the enhanced use of map-based location data and enriched citizen "self-service" facilities.

Monitoring customer service performance is recognised as a key principle of this strategy. To support this process, the management and performance information requirements of each development will be assessed and the currently available facilities will be supplemented or revised as the development of digital services progresses to build a consistent experience across the key customer service systems.

The development of each digital service will incorporate business process and information requirement reviews to ensure that the data collected is limited to that required to deliver an efficient and effective service. The results of each information requirement review will inform the Authority's records management function and facilitate effective retrieval, retention and disposal of information collected.



POLICY AND RESOURCES SCRUTINY COMMITTEE – 19TH JANUARY 2015

**SUBJECT: HOUSING REVENUE ACCOUNT BUDGET MONITORING REPORT
2015/16 (PERIOD 7)**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151
OFFICER**

1. PURPOSE OF REPORT

- 1.1 To inform Members of the projected expenditure for the Housing Revenue Account (HRA) for the 2015/16 financial year.

2. SUMMARY

- 2.1 Members will be aware of the distinction between the HRA (a ring-fenced budget funded in the main by rental income received from council tenants) and General Fund Housing and Private Housing (which fall under the General Fund funded via the Revenue Support Grant, Business Rates and Council Tax).
- 2.2 This report projects the anticipated final outturn for the HRA based upon the expenditure and income trends for the first seven months of the financial year.

3. LINKS TO STRATEGY

- 3.1 The content of the report is in accordance with the budget strategy agreed by Council at its meeting of 25th February 2015. Cabinet approved the HRA estimates on the 4th February 2015.
- 3.2 Budget management itself is in accordance with the corporate theme of Delivering the Strategies.

4. THE REPORT

4.1 Operational HRA

- 4.1.1 The HRA is projecting a £2.9m underspend representing 6.5% of the total HRA budget. This projected underspend relates to the operational HRA and does not include any variance attributable to slippage on the WHQS programme, which is covered separately in Section 4.2 of this report.
- 4.1.2 The main variances against the operational HRA budget are summarised in the following paragraphs and full details are provided in Appendix 1.

Salaries & Mileage (£160k underspend)

- 4.1.3 Salary budgets within the HRA are projected to be underspent by circa £300k, which represents 3% of the total salary budget. There are a variety of reasons for this given the volume of staff, but the main cause is staff turnover. This underspend has been partially offset by a projected overspend of £140k for other salary related budgets such as agency staff (which is predominantly from the Housing Repairs Operations response service) and mileage allowances. The increase in agency resources was necessary to support our trade operatives which is projected to lead to a reduction in the use of external contractors.

Income (£1.4m additional)

- 4.1.4 Additional income of £1.4m is anticipated mainly as a result of increased WHQS works by Housing Response Operations, which is recharged to the WHQS capital programme. This additional work has resulted in a projected increase in labour and material costs of £1.3m.

Service Specific and Office Related Expenditure (£280k overspend)

- 4.1.5 Non-pay related budgets (which are predominantly office running costs) are projecting a £20k underspend. Service specific expenditure is expecting a net £300k overspend. The £300k overspend is a combination of the £1.3m overspend on Housing Response Operations (see paragraph 4.1.4), offset by an underspend of £1m on Revenue Projects budgets which includes external contractors for specialist works and to support the response maintenance service.

Capital Financing Costs (£1.4m underspend)

- 4.1.6 Capital Financing Costs are expected to be £1.4m lower than originally budgeted. This underspend relates to the buy-out from the Housing Revenue Account Subsidy (HRAS) in April 2015. In order to buy-out of the system, the HRA borrowed £75m. Initially this was thought to attract a Minimum Revenue Provision (MRP) of 2% in its first year but the Authority's Treasury Advisors (Arlingclose) have since confirmed that the MRP will be deferred by one year from the point of borrowing as is the case under normal borrowing circumstances.
- 4.1.7 A net underspend of £220k is anticipated for other budgets within the operational HRA.

4.2 Welsh Housing Quality Standard (WHQS)

- 4.2.1 Within the HRA there are two distinct areas that form part of the WHQS operations. Both areas are managed within the HRA but are fully funded by the WHQS capital programme and recharged accordingly. Therefore, there should be no cost attributed to the HRA for these areas.
- 4.2.2 The first area is the WHQS Delivery Team which includes the Head and Deputy Head of Programmes, Project Managers, Quantity Surveyors, Clerk Of Works and technical assistance required to oversee and deliver the WHQS programme. The total budget for these areas is circa £1.7m and there are currently no significant variances anticipated.
- 4.2.3 The second area is the In-House Workforce (previously the Direct Labour Organisation (DLO)) which includes the operational staff such as plumbers, carpenters, electricians and foremen that are directly involved with delivering elements of the WHQS programme. This budget of some £8.7m is managed via a Holding Account in the HRA and subsequently recharged to the WHQS programme on a monthly basis via a valuation process. To date, 7 valuations have been completed totalling £4.5m which is an average of £650k per month, and whilst that appears to match the expenditure to date, the budget suggests an average of £730k per month is necessary to meet the £8.7m estimated. Furthermore, costs are projecting to overspend by some £500k in areas such as material supply and sub-contractors which should therefore increase the average monthly valuation to £770k. There is therefore a potential to under-recover the full costs by year end. Valuations are monitored closely each month and are scrutinised by the Project manager in order to investigate any variance.

- 4.2.4 The Business Plan that was submitted to Welsh Government (WG) for the 2015/16 financial year suggests a borrowing requirement of £43.7m is necessary to fund the WHQS programme. A revised plan is necessary to accommodate a re-profile of the programme and further details are pending on a possible change to the rent policy which could reduce the level of rental income assumed in the plan. These factors will need to be fed into the plan to ensure affordability and to update the level of borrowing requirement needed, without contravening the borrowing cap imposed as part of the HRAS Buy-Out.
- 4.2.5 The Revenue Contribution to Capital Outlay (RCCO) from the HRA is £11.8m from in-year revenue balances and £15.4m from accumulated balances. These contributions fund the majority of the WHQS capital programme which stands at £36m for 2015/16. The WHQS programme is assumed at this stage to be fully spent; therefore the RCCO is expected to be fully committed from the HRA apart from a budget adjustment of £200k. However, an exercise to re-cost the schedule of rates that is used to value the WHQS works has just been completed and new contract arrangements are being procured for the Lower Rhymney Valley and the sheltered housing schemes. Also account has to be taken of tender values for contracts in the Eastern Valleys and the Upper Rhymney Valley, all of which have implications for the financial profile of the programme.
- 4.2.6 A re-profiled programme will be reported to Members in due course in a separate report but is likely to affect the RCCO level required, and subsequently the HRA balances. Any underspend in the RCCO will be earmarked for future WHQS works.

4.3 HRA Working balances

- 4.3.1 HRA working balances at the end of 2014/15 stood at £21m. If the WHQS programme is fully spent this year then £15.4m of this will be utilised as funding. The projected underspend of £2.9m identified in this report will be added to this balance at year end.

5. EQUALITIES IMPLICATIONS

- 5.1 This report is for information purposes, so the Council's Equalities Impact Assessment (EqIA) process does not need to be applied.

6. FINANCIAL IMPLICATIONS

- 6.1 As set out throughout the report.

7. PERSONNEL IMPLICATIONS

- 7.1 There are no direct personnel implications arising from this report.

8. CONSULTATION

- 8.1 There are no consultation responses which have not been reflected in this report.
- 8.2 This report will also be presented to CHTG for information on the 18th February 2016.

9. RECOMMENDATIONS

- 9.1 Members are requested to note the contents of this report.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To ensure that Members are informed of the financial position of the Housing Revenue Account.

Author: Lesley Allen - Group Accountant, Housing
(E-mail: allenl@caerphilly.gov.uk)

Consultees: Nicole Scammell - Acting Director of Corporate Services & Section 151 Officer
Mike Eedy - Finance Manager, Environmental Directorate
Shaun Couzens – Chief Housing Officer
Fiona Wilkins - Public Sector Housing Manager
Paul Smythe – Housing Repairs Operations Manager
Phil Davy – Head of WHQS Programme
Stephen Harris – Interim Head of Corporate Finance
Cllr D Poole – Deputy Leader & Cabinet Member for Housing
Christina HARRY – Director of Communities

Appendices
Appendix 1

HRA Financial Plan report 2015/16 (period 7).

HOUSING	Page	Estimate	Projected	Variance
	No	2015/2016	2015/2016	2015/2016
HOUSING REVENUE ACCOUNT		£	£	£
SUMMARY				
GENERAL MANAGEMENT		1,263,551	1,240,930	22,621
CAPITAL FINANCING		8,437,436	7,013,576	1,423,860
CENTRAL RECHARGES		2,108,514	2,108,514	0
STRATEGY AND PERFORMANCE		1,539,011	1,348,139	190,872
PUBLIC SECTOR HOUSING		5,076,154	4,818,796	257,358
SUPPORTED HOUSING		0	0	0
BUILDING MAINTENANCE SERVICES		27,687,271	26,528,147	1,159,124
GROSS EXPENDITURE		46,111,937	43,058,102	3,053,835
INCOME		(46,111,937)	(46,051,582)	-60,355
(SURPLUS)/DEFICIT CONTRIBUTION (TO)/FROM WORKING BALANCES		0	(2,993,480)	2,993,480
HOUSING REVENUE ACCOUNT		£	£	£
GENERAL MANAGEMENT		1,263,551	1,240,930	22,621
CAPITAL FINANCING COSTS				
Interest Charge		2,374,610	851,856	1,522,754
Principal		5,579,423	5,678,317	-98,894
Debt Management		541,084	541,084	0
Resheduling Discount		(57,681)	(57,681)	0
EXPENDITURE TO HRA SUMMARY		8,437,436	7,013,576	1,423,860
CENTRAL RECHARGES				
Central Recharges		1,673,177	1,673,177	0
Grounds Maintenance recharge to HRA		435,337	435,337	0
EXPENDITURE TO HRA SUMMARY		2,108,514	2,108,514	0
HOUSING REVENUE ACCOUNT		£	£	£
STRATEGY & PERFORMANCE		80,007	17,722	62,285
PERFORMANCE DEVELOPMENT		610,487	608,277	2,210
COMMUNICATIONS & ENGAGEMENT		96,540	89,385	7,155
TRANSFORMING LIVES & COMMUNITIES		751,977	632,755	119,222
EXPENDITURE TO HRA SUMMARY		1,539,011	1,348,139	190,872
HOUSING REVENUE ACCOUNT		£	£	£

HOUSING	Page	Estimate	Projected	Variance
	No	2015/2016	2015/2016	2015/2016
<u>PUBLIC SECTOR HOUSING</u>				
Landlord General		124,879	133,629	-8,750
Sheltered Accommodation		1,626,746	1,440,947	185,799
Holly Road Community support		0	13	-13
Lower Rhymney AHO		21,895	20,661	1,234
Eastern Valley AHO		579,647	554,216	25,431
Upper Rhymney AHO		745,189	738,863	6,326
Gilfach NHO		0	0	0
Lansbury Park NHO		322,334	295,225	27,109
Graig Y Rhacca NHO		262,579	245,483	17,096
Allocations		103,873	139,187	-35,314
TENANTS & COMMUNITIES INVOLVEMENT		387,440	369,868	17,572
LEASEHOLDERS MANAGEMENT		46,392	41,810	4,582
Tenancy Enforcement		267,345	257,032	10,313
Rents		631,554	618,718	12,836
Community Wardens		(43,719)	(36,856)	-6,863
EXPENDITURE TO HRA SUMMARY		5,076,154	4,818,796	257,358
<u>HOUSING REVENUE ACCOUNT</u>				
		£	£	£
<u>SUPPORTED HOUSING</u>				
Dispersed Alarms		0	0	0
Telecare Centre		0	0	0
Ty Croeso Hostel		0	0	0
EXPENDITURE TO HRA SUMMARY		0	0	0
<u>HOUSING REVENUE ACCOUNT</u>				
		£	£	£
<u>RESPONSE REPAIRS & MAINTENANCE</u>				
Employee Expenses net of recharges		1,273,368	1,245,055	28,313
Repairs & Maintenance on Housing Stock				
Responsive Repairs		7,937,726	8,091,036	-153,310
Revenue Contribution to Capital - WHQS Programme		13,652,304	13,436,077	216,227
Group/Planned Repairs (priorities 5 & 8)		0	0	0
Void Repairs (priority 6)		0	0	0
Revenue Projects		2,434,000	1,491,053	942,947
Planned Cyclical		2,165,000	2,181,000	-16,000
Planned Programme		0	(112,439)	112,439
		26,189,030	25,086,727	1,102,303
Transport Related		25,270	24,721	549

HOUSING	Page	Estimate	Projected	Variance
	No	2015/2016	2015/2016	2015/2016
Supplies & Services		199,603	171,644	27,959
EXPENDITURE TO HRA SUMMARY		27,687,271	26,528,147	1,159,124
HOUSING REVENUE ACCOUNT		£	£	£
<u>INCOME</u>				
<u>Rents - Dwelling</u>				
Gross Rent - Dwellings		(39,395,374)	(39,395,374)	0
Gross rent - Sheltered		(4,377,264)	(4,377,264)	0
Gross Rent - Hostel		0	0	0
Voids - General Needs Dwelling/Sheltered		500,000	585,000	-85,000
Voids - Hostel		0	0	0
Net Rent		(43,272,638)	(43,187,638)	-85,000
<u>Rents - Other</u>				
Garages		(474,365)	(336,678)	-137,687
Garage Voids		200,304	91,768	108,536
Shop Rental		(53,562)	(53,562)	0
		(327,623)	(298,472)	-29,151
<u>Service Charges</u>				
Sheltered - Service Charges		(1,423,909)	(1,512,696)	88,787
Sheltered - Heating & Lighting		(262,418)	(228,632)	-33,786
Sheltered & Dispersed- Alarms		0	0	0
Catering Recharge - Sheltered Accommodation		(53,657)	(48,700)	-4,957
Voids Schedule Water		46,456	46,456	0
Non Scheduled Water Rates		(51,031)	(51,031)	0
Welsh Water Commission		(717,117)	(715,387)	-1,730
Leaseholder - Service Charges		(10,000)	(10,000)	0
		(2,471,676)	(2,519,990)	48,314
<u>Government Subsidies</u>				
Housing Subsidy		0	(7,282)	7,282
		0	(7,282)	7,282
<u>Interest Receivable</u>				
Mortgage Interest		(3,000)	(1,200)	-1,800
Investment Income		(7,000)	(7,000)	0
		(10,000)	(8,200)	-1,800
<u>Miscellaneous</u>				
Miscellaneous		0	0	0
Private Alarms		0	0	0
Ground Rent		(30,000)	(30,000)	0
		(30,000)	(30,000)	0
INCOME TO HRA SUMMARY		(46,111,937)	(46,051,582)	-60,355

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POLICY AND RESOURCES SCRUTINY COMMITTEE – 19TH JANUARY 2016

**SUBJECT: CORPORATE SERVICES AND MISCELLANEOUS FINANCE 2015/16
BUDGET MONITORING REPORT (PERIOD 7)**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151
OFFICER**

1. PURPOSE OF REPORT

- 1.1 To inform Members of projected revenue expenditure for the Directorate of Corporate Services and Miscellaneous Finance for the 2015/16 financial year.

2. SUMMARY

- 2.1 The report projects the anticipated final outturn for the Directorate of Corporate Services and Miscellaneous Finance based upon expenditure and income trends for the first seven months of the financial year.

3. LINKS TO STRATEGY

- 3.1 The contents of this report are in accordance with the Budget Strategy agreed by Council at its meeting on 25th February 2015.

4. THE REPORT

4.1 Corporate Services

- 4.1.1 The Directorate of Corporate Services is currently forecasting an underspend of £1,119k for the 2015/16 financial year, full details of which are provided in Appendix 1.
- 4.1.2 The anticipated underspend of £406k in Corporate Finance and Procurement relates in the main to delays in appointing to vacant posts, vacancies which are being held to support the Medium-Term Financial Plan (MTFP) savings requirements for 2016/17 and some additional one-off income.
- 4.1.3 Legal & Governance is projecting a net underspend of £157k after allowing for the following to be ring-fenced and transferred to earmarked reserves: -
- Projected underspend on Members related expenditure of £69k. This is due in the main to underspends on Members Allowances which is partly off-set by costs on printing/webcasting.
 - Projected overspend of £1.6k on Electoral Services.

The net underspend of £157k is due to vacancies which are being held to support the Medium-Term Financial Plan (MTFP) savings requirements for 2016/17.

4.1.4 There is a projected underspend of £102k on Housing services which consists of the following:-

- General Fund Housing is currently projecting an underspend of £31k in staffing budgets and service charge income generated from Ty Croeso. However, the recent Housing (Wales) Act places new duties on Local Authorities for homelessness reviews and strategies and also places prevention and early intervention as a priority. This will increase demand on the homelessness service and whilst short-term transitional funding of £300k has been provided for 2015/16, the budget will need to be closely managed and monitored as we progress through the financial year.
- Private Housing is anticipating an underspend of £71k, which is mainly due to savings of £65k in salary costs. Agency Income is anticipated to be under recovered by year-end but new fees generated from the allocation of WHQS works to leasehold properties are expected to offset the budget shortfall.

4.1.5 There is an anticipated underspend of £176k in Information and Citizens Engagement, consisting of the following:-

- IT Services - £205k underspend which is due in the main to vacancies being held to support the Medium-Term Financial Plan savings requirement for 2016/17.
- Central Services - A current £82k overspend projection due to some previously agreed savings yet to be achieved and an additional temporary resource requirement within the Information Governance Team
- Communications - £42k underspend due in the main to vacancies being held to support the Medium-Term Financial Plan savings requirement for 2016/17.
- Customer First - £11k underspend which is also due in the main to vacancies being held to support the Medium-Term Financial Plan savings requirement for 2016/17.

4.1.6 For Performance and Property there is a net projected underspend of £49k, consisting of the following: -

- Performance Management - £46k overspend mainly due to a retirement being agreed for a later date than originally anticipated.
- Corporate Buildings - £35k underspend mainly due to NNDR and standby/relief cover.
- Asset Management and Facilities – Projected £25k underspend, mainly due to reduced hours, lease costs of cash office and MTFP savings in advance.
- Building Consultancy – Projected surplus on fee income of £35k, mainly due to extra fees for some one-off projects for Torfaen and staff retirements/vacancies.

4.1.7 There is a projected underspend of £144k for Human Resources due in the main to vacancies which are being held to support the Medium-Term Financial Plan (MTFP) savings requirements for 2016/17.

4.1.8 There is a projected underspend of £66k for Health & Safety due in the main to vacancies being held to support the Medium-Term Financial Plan (MTFP) savings requirements for 2016/17, together with vacancies within the Occupational Health section.

4.1.9 The following table provides a summary of progress in delivering agreed 2015/16 savings for the Directorate of Corporate Services: -

Matrix	Agreed MTFP Savings £'000	Progress against Savings £'000	Variance £'000
All	158.0	158.0	0.0
Corp Finance	359.0	359.0	0.0
Corp Property	340.3	291.3	(49.0)
H&S	56.0	56.0	0.0
HR	62.0	62.0	0.0
IT	415.7	415.7	0.0
Legal	39.0	39.0	0.0
Private Housing	50.0	50.0	0.0
Grand Total	1,480.0	1,431.0	(49.0)

4.10 The variance of £49k for Corporate Property is due to a retirement being agreed for a later date than originally planned.

4.2 **Miscellaneous Finance**

4.2.1 There is an overall projected underspend of £2,136k in Miscellaneous Finance.

4.2.2 There is a projected overspend of £28k on Coroner's Service costs due to changes in the legal rules surrounding the deaths of residents in care homes.

4.2.3 There is a projected net underspend of £1,943k on Capital Financing budgets which is due to the following: -

- Changes to debt pooling arising from the Housing Revenue Account Subsidy (HRAS) buy-out.
- A 0.5% reduction in the assumed borrowing rate moving forward.
- Lower Minimum Revenue Provision (MRP) due to the Capital Financing Requirement (CFR) being lower than originally anticipated.
- Improved returns on investments.

4.2.4 There is a projected £24k overspend on the NNDR discretionary rate relief budget.

4.2.5 The remaining projected underspend for Miscellaneous Finance consists of the following: -

- NNDR Empty Properties - £82k
- Proposed Waste Transfer Station – £150k
- Catering Subsidy – 13K

5. **EQUALITIES IMPLICATIONS**

5.1 This report is for information purposes, so the Council's Equalities Impact Assessment (EqIA) process does not need to be applied.

6. **FINANCIAL IMPLICATIONS**

6.1 As detailed throughout the report.

7. **PERSONNEL IMPLICATIONS**

7.1 There are no direct personnel implications arising from this report.

8. CONSULTATIONS

8.1 There are no consultation responses that have not been reflected in this report.

9. RECOMMENDATIONS

9.1 Members are requested to note the contents of the report.

10. REASONS FOR THE RECOMMENDATIONS

10.1 To ensure that Members are informed of the projected financial position for the Directorate of Corporate Services and Miscellaneous Finance.

11. STATUTORY POWER

11.1 Local Government Acts 1972 and 2003 and the Council's Financial Regulations.

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Appendices:
Appendix 1 Corporate Services & Miscellaneous Finance 2015/16 Budget Monitoring Report (Period 7).

CORPORATE SERVICES DIRECTORATE	Original Estimate 2015/2016	Revised Estimate 2015/2016	Anticipated Outturn 2015/2016	Anticipated Variance 2015/2016
	£	£	£	£
CHIEF EXECUTIVE & ACTING DIRECTOR CORP SERVICES	428,766	428,766	409,688	19,078
CORPORATE FINANCE				
Financial services	2,153,341	2,153,341	1,848,543	304,798
Procurement	447,226	447,226	346,731	100,495
	2,600,567	2,600,567	2,195,274	405,293
LEGAL & GOVERNANCE				
Legal	855,058	855,058	757,929	97,129
Democratic Services	1,880,945	1,880,945	1,767,806	113,139
Members earmarked underspends	0	0	69,229	(69,229)
Electoral Services	305,617	305,617	307,239	(1,622)
Earmarked reserve	0	0	(1,622)	1,622
Policy	457,776	457,776	450,283	7,493
Equalities	186,684	186,684	178,360	8,324
	3,686,080	3,686,080	3,529,224	156,856
HOUSING SERVICES				
General Fund Housing	672,683	672,683	642,176	30,507
Private Housing	526,188	526,188	454,971	71,217
Building Maintenance	(118,130)	0	0	0
	1,080,741	1,198,871	1,097,147	101,724
INFORMATION AND CITIZENS ENGAGEMENT				
IT Services	4,690,281	4,690,281	4,485,233	205,048
Central Services	407,598	407,598	489,638	(82,040)
Communications Unit	291,475	291,475	249,546	41,929
Customer First	1,450,953	1,450,953	1,439,517	11,436
	6,840,307	6,840,307	6,663,934	176,373
PERFORMANCE & PROPERTY				
Performance Management Unit	304,363	304,363	350,229	(45,866)
Corporate Property Services	573,299	573,299	573,299	0
Corporate Premises	2,676,909	2,676,909	2,642,095	34,814
Asset Management Facilities	2,090,150	2,090,150	2,064,297	25,853
Building Consultancy	(10,661)	(10,661)	(45,277)	34,616
	5,634,060	5,634,060	5,584,643	49,417
HUMAN RESOURCES				
Human Resources	1,884,625	1,884,625	1,740,504	144,121
Trade Union Facilities	25,230	25,230	24,981	249
	1,909,855	1,909,855	1,765,485	144,370
Heath & Safety				
Health & Safety	1,048,526	1,048,526	1,206,950	(158,424)
Earmarked reserve	0	0	(224,000)	224,000
	1,048,526	1,048,526	982,950	65,576
TOTAL CORPORATE SERVICES	23,228,902	23,347,032	22,228,345	1,118,687

MISCELLANEOUS FINANCE	Original Estimate 2015/2016	Revised Estimate 2015/2016	Anticipated Outturn 2015/2016	Anticipated Variance 2015/2016
	£	£	£	£
Staff Related Costs				
Pension Contribution - Former Authorities Ongoing	1,234,213	1,234,213	1,234,213	0
Recharge to Education - Former Authorities	(191,333)	(191,333)	(191,333)	0
Adjustment for Superannuation Costs	0	0	0	0
	1,042,880	1,042,880	1,042,880	0
Catering				
Subsidy	204,394	204,394	191,228	13,166
	204,394	204,394	191,228	13,166
Statutory Benefit Schemes				
Council Tax Reduction Scheme	14,633,828	14,633,828	13,900,000	733,828
Earmarked reserve	0	0	733,828	(733,828)
General Rent Allowances	32,359,654	32,359,654	32,359,654	0
Rent Rebates	29,905,413	29,905,413	29,905,413	0
Rent Allowance War Widow Concessions	35,000	35,000	35,000	0
Housing Benefit Subsidy	(62,265,067)	(62,265,067)	(62,265,067)	0
	14,668,828	14,668,828	14,668,828	0
Levies Upon the Council				
Coroner	160,313	160,313	187,870	(27,557)
Archives	223,138	223,138	223,138	0
Fire Service Authority	8,225,773	8,225,773	8,225,773	0
	8,609,224	8,609,224	8,636,781	(27,557)
Capital Financing				
Debt Charges	18,146,367	18,146,367	16,282,827	1,863,540
Investment Income net of Recharges	196,028	196,028	116,896	79,132
CERA (Capital Expenditure funded from Revenue Account)	444,974	444,974	444,974	0
	18,787,369	18,787,369	16,844,697	1,942,672
Corporate and Democratic Core Costs				
Bank Charges	138,758	138,758	138,758	0
Income from HRA	(23,339)	(23,339)	(23,339)	0
Income from DLO/DSO	(9,963)	(9,963)	(9,963)	0
External Audit Fees	467,110	467,110	467,110	0
Income from HRA	(78,568)	(78,568)	(78,568)	0
Income from DLO/DSO	(33,538)	(33,538)	(33,538)	0
Subscriptions	108,992	108,992	108,992	0
	569,452	569,452	569,452	0

MISCELLANEOUS FINANCE	Original Estimate 2015/2016	Revised Estimate 2015/2016	Anticipated Outturn 2015/2016	Anticipated Variance 2015/2016
	£	£	£	£
Grants to Voluntary sector				
NNDR Discretionary Rate Relief	229,048	229,048	252,487	(23,439)
Assistance to Voluntary sector	0	0	25,000	(25,000)
Funded from Earmarked Reserve			(25,000)	25,000
	229,048	229,048	252,487	(23,439)
Other Grant funding				
Spend on ad hoc Community Projects	258,000	0	0	0
	258,000	0	0	0
Private Finance Initiative				
PFI Schools	2,624,617	2,624,617	2,624,617	0
PFI Sirhowy Enterprise Way	4,280,489	4,280,489	4,280,489	0
	6,905,106	6,905,106	6,905,106	0
Other				
21st Century Schools Funding	111,949	111,949	111,949	0
Budget Pressures	191,952	191,952	191,952	0
Unapplied Growth - Landfill	243,672	243,672	243,672	0
NNDR - Authority Empty Properties	128,551	128,551	46,745	81,806
Apprentice/Trainee Costs	149,749	149,749	149,749	0
Counsel Fees	325,512	325,512	325,512	0
Careline	85,335	85,335	33,383	51,952
Earmarked reserve	0	0	51,952	(51,952)
Carbon Management Scheme	23,797	23,797	23,797	0
Carbon Energy Tax	218,362	218,362	218,362	0
Miscellaneous Items	15,260	15,260	15,260	0
IT Replacement Strategy	327,221	327,221	327,221	0
PV Panels Income	(40,600)	(40,600)	(40,600)	0
Risk Management Contribution	(157,217)	(275,347)	(275,347)	0
Proposed Waste Transfer Station - Ty Duffryn	150,000	150,000	0	150,000
Matched Funding for Community Schemes	25,000	21,826	21,826	0
	1,798,543	1,677,239	1,445,433	231,806
TOTAL MISCELLANEOUS FINANCE	53,072,844	52,693,540	50,556,892	2,136,648

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POLICY AND RESOURCES SCRUTINY COMMITTEE – 19TH JANUARY 2016

SUBJECT: 2015/16 CAPITAL EXPENDITURE MONITORING REPORT (PERIOD 7)

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151 OFFICER

1. PURPOSE OF REPORT

1.1 To inform Members of projected capital expenditure for the 2015/16 financial year.

2. SUMMARY

2.1 The report provides details of actual and projected capital expenditure based on information available as at month 7 of the 2015/16 financial year.

3. LINKS TO STRATEGY

3.1 The contents of this report are in accordance with the Budget Strategy agreed by Council at its meeting on 25th February 2015.

4. THE REPORT

4.1 The approved Capital Programme for the 2015/16 financial year totalled £51.15m, consisting of £14.86m for the General Fund and £36.29m for the Housing Revenue Account (HRA). Appendix 1 provides details of the 2015/16 approved budget, the 2014/15 slippage carried forward and additional in-year funding for 2015/16 as at period 7.

4.2 Actual expenditure as at period 7 has been reviewed and budget holders have provided updates on anticipated spend for the remainder of the financial year. Schemes totalling £13.09m have been identified that are unlikely to be delivered in 2015/16. Consequently, these schemes will be carried forward as slippage into the 2016/17 financial year. Members will note from the table below that the majority of the slippage relates to the 21st Century Schools programme: -

Service Area	Scheme	£'000
Environment - CLS	Cemeteries	1,107
Environment - CLS	Ty Duffryn	769
Environment - CLS	Playgrounds (s106)	306
Environment - Urban Renewal	Bargoed Shops TIF	87
Environment - Urban Renewal	Bargoed Cinema	412
Environment - Urban Renewal	Park Lane Caerphilly	98
Environment- Engineers	Bridge Strengthening	340

Environment- Engineers	Corporate Maintenance of Mines & Tips	50
Environment- Engineers	Monmouth & Brecon Canal	31
Lifelong Learning	Fochriw Youth Centre	126
HRA	WHQS	410
Corporate Services	Customer First	253
Property Services *	Heolddu Leisure Centre	350
Property Services *	Risca Palace Cinema	260
Property Services	Various	52
Education	21st Century Schools	6,893
Education	School Boiler Replacement Programme	30
Education	Asset Management	830
Education	Health & Safety	260
Education	Various	43
Private Housing	Home Improvement Loans	189
Private Housing	Houses into Homes Loans	189
Social Services	Condition Surveys	6
Total: -		13,091

4.3 The projected slippage of £13.09m includes two schemes totalling £610k where there are currently no firm commitments (these are marked with an asterisk in the table above). The relevant Head of Service has been asked to determine what plans are in place for the utilisation of this £610k and proposals will be incorporated into the Capital Programme for endorsement by Cabinet and approval by Council in February 2016.

4.4 The slippage on the WHQS programme could potentially be greater at the end of the financial year due to ongoing issues relating to procurement, condition surveys and asbestos. This slippage will be ring-fenced to the WHQS.

4.5 The table below summarises identified projected underspends totalling £1.152m: -

Service Area	Scheme	£'000
Corporate Finance	Capital Balances b/f	740
Various	Various	7
Education	Blackwood Youth Centre	35
Education	Ty Graddafa	67
Property Services	Civic Building Pontllanfraith	3
Property Services	Risca Flood Alleviation	300
Total: -		1,152

4.6 It is anticipated that delivering the Risca Flood Alleviation scheme in partnership with Natural Resources Wales and the Welsh Government will result in an underspend of £300k. It has been requested that £200k of the underspend be allocated to fund an overspend on the Ystrad Mynach Centre of Sporting Excellence. A firm proposal will be incorporated into the Capital Programme for endorsement by Cabinet and approval by Council in February 2016. The remaining underspends identified in the table above will be made available to support the Capital Programme in future years.

4.7 As at 31st October 2015 a number of service areas were projecting overspends against schemes to the value of £832k: -

Service Area	Scheme	£'000	Comments
Education	St James Primary School	15	£15k is the residual overspend relating to a creditor payment that has been carried forward from 2013/14.

Environment-Engineers	Highways & Drains	145	Expenditure relates to the collapse of the Penyrheol culvert and drainage issues near Crosskeys train station.
Environment-Engineers	SEW	7	Overspend being carried forward from 2014/15.
Environment-Land Reclamation	Various	6	Overspend relates to historical expenditure that has been carried forward.
Environment-Urban Renewal	Bargoed Regeneration	400	Overspend related to costs arising after the ending of the Welsh European Funding Office grant (June 2015), therefore unable to claim additional costs against the grant. Overspend also includes costs associated with a contractor dispute, minor works and road safety audit.
Environment-Urban Renewal	Newbridge Public Realm (ERDF)	56	The overspend represents the net position on the project once the final WEFO grant claim is taken into consideration as well as CCBC core budget allocations that have been set aside.
Environment-Urban Renewal	Various	3	Minor overspends being carried forward from 2014/15.
Property Services	Ystrad Mynach Centre of Sporting Excellence	200	Costs associated with final invoices and retentions.
Total: -		832	

- 4.8 It is anticipated that the £145k overspend relating to the Highways Drainage schemes will be funded by either a WG grant (subject to a successful grant claim) or through a combination of existing budgets.
- 4.9 A bid for 2016/17 core capital budget allocation has been submitted by Urban Renewal to address the £456k overspends on the Bargoed and Newbridge WEFO schemes. This will be considered by Cabinet/Council in February 2016.
- 4.10 As mentioned in paragraph 4.6 above a proposal has been put forward to fund the £200k projected overspend relating to the Ystrad Mynach Centre of Sporting Excellence from the underspend on the Risca Flood Alleviation scheme.
- 4.11 It is anticipated that the remaining projected overspends in the above table totalling £31k will be met from within existing budgets.

5. EQUALITIES IMPLICATIONS

- 5.1 This report is for information purposes, so the Council's Equalities Impact Assessment (EqIA) process does not need to be applied.

6. FINANCIAL IMPLICATIONS

- 6.1 As detailed throughout the report.

7. PERSONNEL IMPLICATIONS

- 7.1 There are no direct personnel implications arising from this report.

8. CONSULTATIONS

- 8.1 There are no consultation responses that have not been reflected in this report.

9. RECOMMENDATIONS

- 9.1 Members are requested to note the contents of the report.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To ensure that Members are advised of projected spend for the 2015/16 Capital Programme.

11. STATUTORY POWER

- 11.1 Local Government Act 1972.

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Appendices

Appendix 1 Capital Monitoring 2015/16 - Period 7

Service Area	B/f Funding	B/f Funding Adjustments	Revised B/f Funding	Approved Budget 2015-16	Additional In Year Funding 2015-16	Total Available Funding 2015-16	Expenditure to 31.10.2015	Projected Expenditure to 31 March 2016	Slippage (committed & non-committed)	Projected Outturn Variance Underspend (+); Overspend (-)
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Community and Leisure Services	2,038	-	2,038	530	93	2,661	295	478	2,183	-
Corporate Finance- Unallocated Balances	740	102	842	-	-	843	-	-	-	843
Corporate Services	423	-	423	212	57	692	82	434	253	5
Environment- Countryside	79	-	79	217	61	357	120	357	-	-
Environment- Urban Renewal	3,912	-2,000	1,912	240	1,333	3,485	2,775	3,348	596	-459
Environment- Economic Regeneration	144	-	144	170	22	336	155	334	-	1
Education	12,910	147	13,057	1,445	7,625	22,127	6,879	14,087	8,055	-15
Engineers	3,556	-	3,556	2,410	2,503	8,469	3,569	8,200	421	-152
Land Reclamation	-6	-	-6	3,787	-	3,781	-	3,787	-	-6
Lifelong Learning	376	-249	127	-	-	126	-	-	126	-
Private Housing	503	-	503	2,300	1,039	3,842	1,359	3,463	379	-
Property Services	2,101	-	2,101	700	-	2,800	650	2,036	662	103
Public Protection	150	-	150	500	161	811	661	811	-	-
Social Services	207	-	207	350	-	556	127	550	6	-
General Fund Total	27,133	-2,000	25,133	12,861	12,894	50,886	16,672	37,885	12,681	320
HRA	-	-	-	36,290	76,017	112,307	88,640	111,896	410	-
Total	27,133	-2,000	25,133	49,151	88,911	163,193	105,312	149,781	13,091	320

Comments

1) The Council approved Capital budget was £14.861m. This has been reduced by £2m for the Bargoed Odeon Cinema as the scheme has been terminated. The budget was to be funded by prudential borrowing.

2) B/f funding has been reduced by £2m to remove the 2014/15 Bargoed Odeon Cinema budget, which was to be funded by prudential borrowing.

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POLICY AND RESOURCES SCRUTINY COMMITTEE – 19TH JANUARY 2016

**SUBJECT: WHOLE-AUTHORITY REVENUE BUDGET MONITORING REPORT
2015/16**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151
OFFICER**

1. PURPOSE OF REPORT

- 1.1 To inform Members of projected whole-authority revenue budget expenditure for the 2015/16 financial year.

2. SUMMARY

- 2.1 The report provides information on the position of the whole-authority in respect of revenue budget monitoring for 2015/16. Detailed reports have been presented to Scrutiny Committees throughout the financial year. Consideration has been given to the expenditure and income trends in the first 8 months of the financial year. A projection has then been made of the likely outturn and where significant variations from budget have been identified these are commented upon below.

3. LINKS TO STRATEGY

- 3.1 The Council has a number of corporate strategies and this report deals with the use of resources in the achievement of those strategies.

4. THE REPORT

- 4.1 Members will be aware of the challenging financial outlook for Local Government and the need to identify significant savings to support the Council's Medium-Term Financial Plan (MTFP). Officers have been mindful of this and as a consequence expenditure has been curtailed in a number of areas. This prudent approach has resulted in projected underspends for all Directorates.
- 4.2 The table overleaf makes a comparison between the original estimate, a revised estimate (where approved changes have been made in year) and the projected outturn. It is a high-level budget review as regular detailed budget monitoring reports have been prepared for Scrutiny Committees. The total revenue budget underspend for the Authority for 2015/16 is projected to be £5.453m. This does not include the Housing Revenue Account (HRA), details of which are provided separately in paragraphs 4.68 to 4.73.

	2015/16 Original Estimate £000's	2015/16 Revised Estimate £000's	2015/16 Anticipated Outturn £000's	2015/16 (Overspend) /Underspend £000's
Education & Lifelong Learning	124,176	124,176	123,757	419
Social Services	74,350	74,350	73,796	554
Environment	50,785	51,046	50,036	1,010
Corporate Services	23,229	23,347	22,228	1,119
Miscellaneous Finance	53,073	52,694	50,557	2,137
Contribution from Working Balances	-1,200	-1,200	-1,414	214
Totals: -	324,413	324,413	318,960	5,453

Education & Lifelong Learning (£419k underspend)

4.3 The following table summarises the projected variances against budget for the Education & Lifelong Learning Directorate:-

	Projected (Overspend)/ Underspend £000's
Home to School/College Transport	250
Behaviour Support Training	(150)
Additional Support (Primary & Secondary)	(271)
Recoupment (SEN Out-of-County/LAC/ Inter-Authority)	370
EOTAS (Education Other Than at Schools)	(210)
Early Years Provision & Support	56
Education Achievement Service contract	57
In-Year Vacancies	246
Public Libraries	(66)
Other	137
Total: -	419

4.4 The Home to School/College Transport budget is managed by the Engineering Division (with any variances ring-fenced to Education). The projected underspend relates to contract efficiency savings that form part of the Directorate's Medium-Term Financial Plan (MTFP) savings proposals for 2016/17.

4.5 Investment in Behaviour Support Training across all Primary and Secondary schools is essential to address behavioural issues that are giving rise to increasing cost pressures across Additional Support, EOTAS (Education Other Than At Schools) and an increase in potential Tribunal cases. This investment commenced at the end of the previous financial year and is being funded from in-year savings. It is targeted to assist in MTFP savings requirements moving forward.

4.6 The projected variance against the Additional Support budget continues to be closely monitored and this projection is subject to change as needs are assessed. In 2014/15 the outturn position was an overspend of £162k. The increase over the last 2 years is closely linked to an increase in Statements around ASD (Autistic Spectrum Disorder), which is a national trend.

- 4.7 The underspend on the Recoupment budget (Special Educational Needs and Looked After Children), is significant. This projection is based on current placements and an estimate for additional need, but remains uncertain due to the often emergency nature of placements. Whilst the level of spend on the Additional Support budget has increased, this cost is significantly less than the cost of a child placed in an Out-of-County school on either a daily or residential placement. Moving forwards the Additional Support and Recoupment budgets will need to be realigned to reflect the current spend profile. Overall, on these 2 budget lines, there is currently a projected net underspend of £99k.
- 4.8 EOTAS provision is currently under review, both internally and with regards to procured activity. This service accommodates learners who are unable to attend and learn through mainstream school and has seen a recent increase in referrals for children with challenging behaviour. Consequently, the service is currently projecting an overspend of up to £210k.
- 4.9 The Authority provides funding for Rising 3's nursery provision in our schools and in independent nursery settings. This service is demand led and current projections suggest that there will be an underspend for this year.
- 4.10 The 2015/16 charge on the main contract with the Education Achievement Service is less than the current budget provision.
- 4.11 Across the Education and Lifelong Learning Directorate there are a number of in-year vacancies. These relate to a number of areas notably Behaviour Support, School Based Counselling, EOTAS, Central Support Services and Community Focus schools. Some of these savings form part of the MTFP proposals moving forward.
- 4.12 The Public Libraries projected overspend relates to one-off costs associated with the loss of 8 posts within the Service. This restructure is part of the agreed MTFP to reduce opening hours to the public.
- 4.13 The projected outturn does not at this point include any potential redundancy and associated costs that could arise if some of the grant funded projects within the Directorate end as at 31st March 2016. This position will become clearer in the coming months.

Social Services (£554k underspend)

Children's Services (£242k underspend)

- 4.14 An underspend of £505k is anticipated against the Children's Services Management, Fieldwork and Administration staff budgets. Much of this saving is as a result of holding vacant posts in anticipation of savings requirements for the 2016/17 financial year.
- 4.15 An overspend of £338k is anticipated against child care placement costs, which reflects current commitments and financial contributions to some placements from partner organisations. The Division continues to make every effort to contain spending against this budget but this is a highly volatile budget area which is sensitive to even small changes in the number of placements.
- 4.16 The remaining underspend of £75k is largely attributable to preventative and support services with a small number of high cost support packages having terminated since the previous financial year.

Adult Services (£308k underspend)

- 4.17 An underspend of £170k is anticipated against the Adult Services Management, Fieldwork and Administration staff budgets and is mainly due to a number of back-office posts being held vacant in anticipation of savings requirements for the 2016/17 financial year.

- 4.18 An underspend of £131k is forecast against our own residential homes and Supported Living accommodation due to higher than anticipated income from service users. This income is dependant upon the financial circumstances of the individuals accommodated in our homes at any time and therefore can fluctuate over time.
- 4.19 An underspend of £239k is anticipated against in-house day care services. Around £102k of this is as a result of the early delivery of savings that were initially expected from October 2015. The remaining underspend in this area can be attributed to staffing vacancies.
- 4.20 Additional service user contributions in respect of non-residential care amounting to £331k are expected as a result of a combination of an increase in Welsh Government maximum charges, the implementation of recommendations arising from the work of the Task and Finish Group for Non-Residential Charging and changes in service users' disposable income.
- 4.21 An underspend of £66k is anticipated against the Authority's contribution to the Gwent-Wide Integrated Community Equipment Service (GWICES). This relates to a reimbursement from the service in respect of underspends from earlier years.
- 4.22 An overspend of £118k is projected in respect of packages of care purchased from independent care providers, the Home Assistance and Reablement Team (HART) and the Adult Placement Service. It should be noted that demand for these services is expected to grow in line with demographic changes and can be particularly volatile during the winter period.
- 4.23 An overspend of £341k is forecast against the Supporting People budget. This has occurred as a result of the late notification of a reduction in Welsh Government specific grant which left the service financially overcommitted by around £474k at the beginning of the financial year. In-year action has been taken to address this shortfall which will deliver a balanced budget in 2016/17.
- 4.24 In light of the projected net underspend across the Division, it has been agreed to invest in solar panel installations at a number of our residential homes. This investment will result in recurring savings in energy costs for future years. The £170k overspend for other budgets within Adult Services can largely be attributed to this investment.

Service Strategy & Business Support (£4k underspend)

- 4.25 An overspend of £80k is projected against staff costs due to delays in delivering some of the savings targets that were included in the 2015/16 budget settlement for the Directorate.
- 4.26 A further overspend of around £26k is anticipated as a result of additional office furniture and equipment requirements resulting from a number of office re-locations linked to the closure of Ty Pontllanfraith.
- 4.27 These projected overspends are more than offset by a projected underspend in transport costs. A contingency budget is held within Business Support in response to the overspends that have been experienced within the Integrated Transport Unit (ITU) in recent years. However, in 2014/15 the ITU delivered a small underspend in respect of Social Services transport costs and is projecting a balanced position for the current financial year. Therefore, it is anticipated that this contingency will not be required in 2015/16.

Environment (£1,010k underspend)

Regeneration & Planning (£239k underspend)

- 4.28 The Regeneration & Planning Division is forecasting a projected underspend of £239k as summarised in the following table: -

	Projected (Overspend)/ Underspend £000's
Development/Building Control/Land Charges	(66)
Strategic Planning and Local Development Plan (LDP)	(71)
Business Enterprise Support/Business Urban Renewal	64
Industrial Estate Rents	101
Tourism Events	29
Tourism Venues	112
Bargoed Retail Development	(58)
Other	128
Total: -	239

- 4.29 Development Control, Building Control and Land Charges have a combined projected overspend of £66k, which is primarily due to fee income being lower than the budgeted level. This shortfall has been partially offset by delays in the filling of posts.
- 4.30 Strategic Planning and Local Development Plan (LDP) budgets are presently projected to be £71k overspent due a shortfall in grant and other fee income and associated LDP monitoring costs, partly offset by staffing underspend due to maternity leave not being covered.
- 4.31 Business Enterprise Support and Business Urban Renewal is projecting an underspend of £64k mainly due to vacant posts which are MTFP savings in advance.
- 4.32 There is a projected £101k underspend in relation to Industrial Estates due to income from rents in excess of targets, and reduced maintenance costs. Again there is a MTFP saving in advance proposal of £100k for 2016/2017.
- 4.33 Tourism Events have a net projected underspend of £29k, with additional income generated from the Big Cheese event being partly offset by one off- costs in relation to the Urdd held at Llancaiach Fawr.
- 4.34 At present the Tourism Venues are reporting an overall underspend of £112k due to a combination of income generation above target and reduced operational costs. Again, MTFP savings are being considered for the tourism venues in 2016/2017. The financial performance of the tourism venues is pleasing especially as summer weather has been poor.
- 4.35 There is a projected overspend of £58k in relation to the Bargoed retail shop units which are part of the Bargoed Regeneration project. This is due to anticipated under occupancy in 2015/2016 on the units.
- 4.36 There is a net projected underspend of £128k on other budgets within the Regeneration & Planning Division.

Engineering Division (£262k underspend)

- 4.37 The Engineering Division is forecasting a projected underspend of £262k as summarised below: -

	Projected (Overspend)/ Underspend £000's
Highway Reactive Maintenance/Repairs	(200)
Street Lighting	238
Staffing	215
Other	9
Total: -	262

- 4.38 Expenditure in relation to highway reactive maintenance/repairs is presently projected to be £200k overspent due to ongoing pressures on the highway network. However, in the event of any severe winter weather this position could worsen. The Division is reviewing the highway maintenance programme and endeavouring to balance the budget by the financial year end.
- 4.39 The projected underspend of £238k in Street Lighting is a combination of street lighting energy (£190k) due to low energy prices and capital investment in low energy LED lights. The remaining £48k underspend relates to maintenance. MTFP savings have been identified for the 2016/17 financial year.
- 4.40 There is a projected underspend of £215k in staffing costs for the Division due to delays in filling posts and posts being kept vacant to support MTFP savings requirements.
- 4.41 There is a net projected underspend of £9k on other budgets within the Engineering Division.

Public Protection (£242k underspend)

- 4.42 The Public Protection Division is forecasting a projected underspend of £242k as summarised below: -

	Projected (Overspend)/ Underspend £000's
Environmental Health	92
Trading Standards/Licensing/Registrars	51
Community Safety	34
Catering	10
Other	55
Total: -	242

- 4.43 Environmental Health is currently projecting a net underspend of £92k. This includes a £29k underspend in the Enforcement Group due to additional income from Blaenau Gwent in relation to pest control, £43k underspend in Pollution due to vacant posts which are MTFP savings in advance and £20k underspend in the Food Team due to maternity leave. These underspends may be partly offset due to potential increases in Welsh Water costs resulting from monitoring at closed landfill sites and the appointment of new consultants for contaminated land. Costs in relation to closed landfills, pollution and contamination can be volatile and subject to change during the year so they will be monitored closely.
- 4.44 Trading Standards, Licensing and Registration is reporting a projected underspend of £51k mainly due to vacant posts.

- 4.45 Community Safety is projecting a £34k underspend primarily due to staffing in relation to CCTV and Community Safety Wardens from reduced overtime and maternity leave and additional CCTV monitoring income from other services.
- 4.46 Catering Services are projecting an overall underspend of £10k which is net of one-off costs in relation to severance costs and adaptations to the Ty Penallta kitchens to accommodate the transfer of the Meals on Wheels service from Tir-y-berth.
- 4.47 Public Protection administration and support costs are projected to underspend by £55k due to staff vacant posts in administration and trainees, which are MTFP savings in advance for 2016/2017.

Community & Leisure Services (£267k underspend)

- 4.48 The Community & Leisure Services Division is forecasting a projected underspend of £267k as summarised below: -

	Projected (Overspend)/ Underspend £000's
Waste Management & Street Cleansing	77
Parks, Outdoor Facilities & Cemeteries	256
Leisure Services	(77)
Vehicle Maintenance & Fleet Management	25
Building Cleaning	(14)
Total: -	267

- 4.49 Within Waste Management & Street Cleansing there is a large projected overspend in relation to dry recycling treatment of £809k due to revised treatment contract arrangements with a higher cost per tonne. These new arrangements will ensure security of recycling materials treatment for at least the next 12 months. The projected position also reflects a one-off payment to Viridor of £276k for the processing of incinerator bottom ash. This will assist in increasing the Council's recycling tonnage closer to the 58% statutory target which needs to be achieved to avoid the potential imposition of fines. Additional SWMG of £200k has been received which will be used to assist in the funding of the bottom ash processing. There is also a projected overspend of £293k in relation to residual waste treatment and disposal costs arising from the need to redirect some waste to landfill sites due to downtime at the Viridor plant.
- 4.50 There are a number of offsetting underspends within Waste Management & Street Cleansing. The first of these is a projected underspend of £225k in relation to Civic Amenity sites waste treatment due to reduced tonnage resulting from the introduction of the permits scheme. There is also a projected underspend of £462k in staffing costs, the majority of which arises from MTFP savings in advance. There is a projected underspend £216k arising from reduced/delayed vehicle and plant replacement and projected underspends totalling £352k on other operational costs.
- 4.51 Overall, Parks, Outdoor Facilities and Cemeteries is presently projecting an underspend of £256k. However, £232k of this underspend relates to Cemeteries where any underspend is ring-fenced for future planned investment to create and enhance cemetery provision across the County Borough. The remainder of the service area is projecting an underspend of £24k, which is due to a staff vacant post which is a MTFP saving in advance for 2016/2017.
- 4.52 Leisure Services is reporting an overall net overspend of £77k. Leisure Centres are reporting an overspend of £176k, much of which is due to a projected under achievement in income targets. The Leisure Centres have challenging income budget targets as a result of the

additional £100k MTFP savings applied in 2015/2016. The overspend in Leisure Centres is partly offset by an underspend in central leisure of £74k due to vacant posts and other central costs and an underspend in sports & health development of £25k. Income targets at Leisure Centres will be monitored closely as income generation is subject to variation depending on customer demand.

4.53 Vehicle Maintenance & Fleet Management is projecting an underspend of £25k. The outturn position will be dependent on the value of work through the workshop over the next few months and the ability to finance fixed overheads.

4.54 Building Cleaning is reporting a projected overspend of £14k.

Corporate Services (£1,119k underspend)

4.55 The Directorate of Corporate Services is currently forecasting an underspend of £1,119k for the 2015/16 financial year.

4.56 There is a projected underspend of £406k in Corporate Finance and Procurement which relates in the main to delays in appointing to vacant posts, vacancies which are being held to support MTFP savings requirements for 2016/17 and some additional one-off income.

4.57 Legal & Governance is projecting a net underspend of £157k which is also due to vacancies which are being held to support MTFP savings requirements.

4.58 There is a projected underspend of £30k on General Fund Housing services, and a £72k underspend on Private Housing due to an in year retirement and a delay in filling a vacant post.

4.59 There is an anticipated underspend of £176k in Information and Citizens Engagement, consisting of the following:-

- IT Services - £205k underspend which is due in the main to vacancies being held to support MTFP savings requirements for 2016/17.
- Central Services – A current £82k overspend projection due to some previously agreed savings yet to be achieved and an additional temporary resource requirement within the Information Governance Team.
- Communications - £42k underspend due in the main to vacancies being held to support the MTFP savings requirements for 2016/17.
- Customer First - £11k underspend which is also due in the main to vacancies being held to support the MTFP savings requirements for 2016/17.

4.60 For Performance and Property there is a net projected underspend of £49k.

4.61 There is a projected underspend of £144k for Human Resources which is also due in the main to vacancies which are being held to support MTFP savings requirements for 2016/17.

4.62 There is a projected underspend of £66k for Health and Safety due in the main to vacancies being held to support the MTFP savings requirements for 2016/17, together with vacancies within the Occupational Health Section.

Miscellaneous Finance (£2,137k underspend)

4.63 There is an overall projected underspend of £2,137k in Miscellaneous Finance.

4.64 There is a projected overspend of £28k on Coroner's Service costs due to changes in the legal rules surrounding the deaths of residents in care homes.

4.65 There is a projected net underspend of £1,943k on Capital Financing budgets which is due to the following:-

- Changes to debt pooling arising from the Housing Revenue Account Subsidy (HRAS) buy-out.
- A 0.5% reduction in the assumed borrowing rate moving forward.
- Lower Minimum Revenue Provision (MRP) due to the Capital Financing Requirement (CFR) being lower than originally anticipated.
- Improved returns on investments.

4.66 There is a projected £23k overspend on the NNDR discretionary rate relief budget.

4.67 The remaining projected underspend for Miscellaneous Finance consists of the following:-

- NNDR Empty Properties - £82k
- Proposed Waste Transfer Station - £150k
- Catering Subsidy - £13k

Housing Revenue Account (HRA)

4.68 The HRA is currently projected to underspend by £2.9m (this does not include any slippage on the Welsh Housing Quality Standard (WHQS) which is ring-fenced to the Programme).

4.69 Direct salary costs are expected to underspend by circa £300k due to staff turnover, subsequent delays in filling posts, and some staff opting out of the pension scheme. The underspend represents circa 3% of the overall salary budget of £10m (excluding WHQS staff who are charged to the capital programme), but is offset by a projected overspend of £140k for other pay related costs including agency staff within Response Maintenance. This in turn has led to a reduction in the use of external contractors.

4.70 Capital Financing Requirements are expected to be £1.4m lower than originally budgeted. This underspend relates to the buy-out from the Housing Revenue Account Subsidy (HRAS) in April 2015. In order to buy-out of the system the HRA borrowed £75m. Initially this was thought to attract a Minimum Revenue Provision (MRP) of 2% in its first year but the Authority's Treasury Advisors (Arlingclose) have since confirmed that the MRP will be deferred by one year from the point of borrowing as is the case under normal borrowing circumstances.

4.71 Additional income of £1.4m is anticipated mainly as a result of increased WHQS works by the Housing Response Operations, which is recharged to the WHQS capital programme. This additional work has resulted in a projected increase in labour and material costs of £1.3m.

4.72 Revenue Projects which includes external contractors for specialist works and to support the response maintenance service are anticipating a £1m underspend.

4.73 A net underspend of £240k is anticipated for other budgets within the HRA.

5. EQUALITIES IMPLICATIONS

5.1 This report is for information purposes, so the Council's Equalities Impact Assessment (EqIA) process does not need to be applied.

6. FINANCIAL IMPLICATIONS

6.1 As detailed throughout the report.

7. PERSONNEL IMPLICATIONS

- 7.1 The personnel implications of agreed savings for future years will be carefully managed and staff will be fully supported to identify redeployment opportunities wherever possible.

8. CONSULTATIONS

- 8.1 There are no consultation responses that have not been reflected in this report.

9. RECOMMENDATIONS

- 9.1 It is recommended that Members continue to request Directors and Heads of Service to review expenditure and income trends in order to ensure annual budgets and in-year savings are achieved.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 The Council budget is based upon the achievement of both expenditure targets and income targets. In order to ensure these are met and that the Council's financial integrity is maintained, Members are required to review expenditure and income trends included in budget monitoring reports.

11. STATUTORY POWER

- 11.1 Local Government Act 1972 and 2000.

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Consultees: Chris Burns, Interim Chief Executive
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Andrew Southcombe, Finance Manager, Corporate Finance
Jane Southcombe, Senior Group Accountant, Lifelong Learning
Mike Jones, Interim Financial Services Manager, Social Services
Shaun Couzens, Chief Housing Officer
Phil Davy, Head of Programmes
Lesley Allen, Principal Accountant, Housing
Cllr B Jones, Deputy Leader & Cabinet Member for Corporate Services
Cllr D Poole, Deputy Leader & Cabinet Member for Housing

Background Papers:
Budget Monitoring 2015/16
(Contact Interim Head of Corporate Finance - Ext 3022)



CORPORATE HEALTH AND SAFETY COMMITTEE

**MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, TREDOMEN,
ON MONDAY, 29TH JUNE 2015 AT 10.00 AM**

PRESENT:

Councillors:

M.A. Adams, P.J. Bevan, D. Havard, A.G. Higgs.

Together with:

D. Jones (Service Manager, Health, Safety and Welfare), E. Townsend (Deputy Health and Safety Manager), T. Phillips (Health and Safety Manager), P. James (Health and Safety Manager), L. Donovan (Acting Head of HR & Organisational Development), S. Hawkins (Community Centres Service Manager), S.M. Kauczok (Committee Services Officer).

Trade Union Representatives:

N. Funnell (GMB), J.A. Garcia (UNISON).

1. APPOINTMENT OF CHAIR

It was moved and seconded that Councillor D. Havard be appointed Chair of the Corporate Health and Safety Committee for the ensuing year. By a show of hands this was unanimously agreed. Councillor Havard took the chair for the remainder of the meeting.

2. APPOINTMENT OF VICE CHAIR

It was moved and seconded that Councillor M. Adams be appointed Vice Chair of the Corporate Health and Safety Committee for the ensuing year. By a show of hands this was unanimously agreed.

3. APOLOGIES FOR ABSENCE

Apologies for absence had been received from Councillor G.J. Hughes, Councillor S. Kent, Mr M.S. Williams (Head of Community and Leisure).

4. DECLARATIONS OF INTEREST

There were no declarations of interest made at the beginning or during the course of the meeting.

5. MINUTES

RESOLVED that the minutes of the Corporate Health and Safety Committee held on 24th February 2015 be approved as a correct record and signed by the Chair.

6. SHARON KAUCZOK

It was noted that Sharon Kauczok, Committee Services Officer, would soon be leaving the Authority. Members and officers placed on record their appreciation of the efficient and courteous manner in which Sharon had undertaken her role and wished her a happy and healthy retirement.

REPORTS OF OFFICERS

Consideration was given to the following reports.

7. ANNUAL HEALTH AND SAFETY REPORT – PRESENTATION BY DONNA JONES, SERVICE MANAGER, HEALTH, SAFETY AND WELFARE

Donna Jones, Service Manager, Health, Safety and Welfare, highlighted the key issues within the Health, Safety, Occupational Health and Risk Management Annual Report for 2014-15, copies of which were circulated at the meeting. As with all service areas, Health and Safety have made required efficiency savings and resources have been targeted at high risk areas for improvement and monitoring.

The past year has seen significant proactive work being undertaken particularly in schools, where additional resources have been deployed to support primary schools through an increased Service Level Agreement (SLA). Improving competency has been a strong theme with mandatory training being delivered to senior management and school caretakers. Stress and mental health are a continuing issue and are reflected throughout the report in terms of risk assessments, training and Care First statistics. Further Health and Safety projects/improvements made over the past year are detailed in the report, as well as health and safety performance and activities for 2014/15.

In July 2014, Cabinet approved the funding of an asbestos removal project across 37 schools. The project once completed will see all amosite asbestos containing products removed from occupied areas of school buildings. Details of the works completed at schools during the reporting year are set out in the report. The Authority will continue to monitor the pressure testing maintenance of powered gates within its schools and parks. The current position from the inspection programme is set out in the Annual Report.

Officers have also completed a review of Children and Adult Services and the controls in place to minimise the risks to staff from lone working and violence and aggression. There will be recommendations in the resulting report on risk assessment, provision of the Employee Protection Register and reporting incidents. The recommendations will be incorporated into a bespoke training package for relevant staff.

The School Caretaker Safety Handbook has been updated and mandatory training will be delivered in the next financial year, to ensure that school caretakers are undertaking work, safely and with the appropriate equipment.

It was noted that no enforcement action had been issued against the Council during the reporting period although the HSE did undertake an investigation into an accident involving a primary school pupil who sustained an injury as a result of a fall from height during a school visit. The investigation highlighted a material breach of health and safety regulations and a

Fee For Intervention invoice was issued against the Authority. As the breach was the responsibility of the school involved, under delegated duties, the FFI cost was passed to the school for payment. South Wales Fire Service issued five Fire Advisory Notices during 2014-15, the details of which are set out in the report. Officers have been working with tenants, Housing colleagues and Fire Officers in terms of fire safety.

Details of all recorded accidents reported to the Health and Safety Division between April 2014 and March 2015 are set out in Table 1 in the report. The total number of accidents has increased by 11 from 361 in 2013/14 to 407 in 2014/15. However, the total number of reportable accidents has reduced from 43 in 2013/14 to 35 in 2014/15, which shows that instances of more serious accidents reduced last year.

Health and Safety inspections/ audits are undertaken and updated onto RAMIS and corrective actions are programmed to ensure that Building Mangers close out the actions with evidence. There had been a slight increase in the number of inspections undertaken although the number of general Health and Safety inspections has reduced slightly.

There has been a marked increase in the demand for Occupational Health services. In the medium to long term, a senior nurse will need to be recruited to provide sufficient resources for the service. Currently 6 nurse clinics take place each week to cover the demand on the service. Statutory health surveillance continues to be undertaken in house on a rolling programme for HAVS, audiometry and medical health screening for those in posts which can present particular risks to health.

In terms of the "Care First" Employee Assistance Programme, there had been 246 new cases which represents extremely good usage. It was noted that the increase in the number of reported stress cases for 2014/15 are solely linked to employees undergoing disciplinary procedures, a reduction in staff linked to the MTFP and an increase in workload.

During 2014/15 the Authority received 14 new employers liability claims, a reduction on last year's figures. The total cost of claims for 2014/15 was £184,906.50 which is a drop of £29,459.76.

Good progress had been made on the key priorities that were put forward for 2014/15 i.e. Mental Health Support and Training; Asbestos Removal Programme in Schools; Completion of Disaster Recovery/Education Continuity Plans for all Schools; Premium Health and Safety SLA Service to Schools and General Inspections to Residential Homes/Day Centres.

The key priorities for 2014/15 were the completion of the Asbestos Removal Programme in Schools; the SLA with Cardiff Council in terms of managing their Health and Safety function; Radon Monitoring in Schools; a Review of Drug and Alcohol support; Construction Management Review.

Following the very informative presentation discussion ensued on the issues raised. Further information was sought on radon monitoring, the financial implications relating to employer liability claims and possible measures that could be taken to reduce the number of stress related cases linked to disciplinary cases. The Acting Head of HR and Organisational Development advised that HR would be happy to discuss the latter with the Trade Unions.

8. EDUCATION HEALTH AND SAFETY INSPECTION UPDATE

The Committee received an update on the ongoing developments arranged by Health and Safety Officers within maintained Caerphilly schools in relation to automatic powered access gates.

Health and Safety originally reported the level of non-compliance relating to the Local Authority installations in September 2014. The Health and Safety Section and Risk

Management in consultation with Building Consultancy decided to commission independent reports for each site. These were completed on 20th and 21st January. The report cost the Health and Safety and Risk Management areas £2.5k to commission. Originally a total of 10 Inspections were completed between June and August 2014, 7 of which were Primary schools. Subsequently two further sites have been identified, one is an Authority Depot site and one at Llancaiach Fawr Manor House.

The Authority officer audit initially indicated a high level of non-compliance with the BS EN 12453 standard. Schools have subsequently received individual reports and feedback on remedial actions required. The Authority also arranged an independent assessor to provide schools with relevant written advice to achieve compliance on 27th March 2015. This was financed and arranged by Health and Safety and Risk Management as a one off, to establish a base line from which the schools must upgrade their gates to the required standard.

It will be for the schools to keep the gates maintained to the relevant BS EN 12453 standard. The Authority will monitor the pressure testing maintenance of the gates via the RAMIS system and every two years via the school management audits. The current situation for primary schools is set out in paragraph 4.6 of the report. Pressure testing has been completed for all with the exception of Bryn Primary School who are in discussion with the supplier.

Serious concerns have been raised by the monitoring exercise with regard to the installation of powered gates and it was stressed that sites should only progress with such installation if they have engaged the service of an Authority technical department, due to the technical and engineering specialism of this particular equipment.

Following consideration and discussion, the Corporate Health and Safety Committee noted the report.

9. INFORMATION ITEMS

The following reports were received and noted: -

1. Accident Statistics Report for January – March 2015.

The Committee received a verbal update from officers on the major reportable accidents that have occurred across the Authority over the past year. In response to a request from a Member for details of the total cost to the Authority arising from reported accidents and incidents, it was agreed that arrangements would be made for the Committee to receive a presentation from Risk Management in this respect..

2. Recent HSE Updates.

The meeting closed at 11.15 am.

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 16th November 2015, they were signed by the Chair.

CHAIR



CAERPHILLY HOMES TASK GROUP (WELSH HOUSING QUALITY STANDARD)

MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH
(SIRHOWY ROOM) ON THURSDAY, 29TH OCTOBER 2015 AT 5.00 P.M.

PRESENT:

C. Davies- Chair

Task Group Members:

Ms L. Ackerman, Mrs G. Atkins, Miss A. Lewis, C. Mann and D.V. Poole.

P. Davy (Head of Programmes), P. Smythe (Housing Repair Operation Manager), M. Betts (Community Participation Officer), F. Wilkins (Public Sector Housing Manager), C. Evans (Committee Services Officer)

1. APOLOGIES

Apologies for absence were received from Mrs G. Atkins, Miss A. Lewis and C. Mann.

2. DECLARATIONS OF INTEREST

Mrs G. Atkins, Mr C. Davies and Miss A. Lewis as Council Tenants declared a personal but not prejudicial interest in all agenda items.

3. MINUTES – 17TH SEPTEMBER 2015

RESOLVED that the minutes of the meeting held on the 17th September 2015 be approved as a correct record and signed by the Chair.

4. REVIEW WORKSHOP – FEEDBACK REPORT

The report provided the Task Group with details of the Review Workshop, which was arranged on 8th September for the Caerphilly Homes Task Group (CHTG), to further develop the working relationships between councillors and tenants and to review and refocus the activities of the CHTG.

The key outcomes were:

- The opportunity to discuss and clarify the roles of tenants, councillors and officers
- The recognition that mutual respect and trust between all partners is essential
- Reaffirmation of the commitment to work together based on shared goals where there is common ownership of problems and solutions.

- The primary objective remains to achieve WHQS by 2020 which requires speed of delivery but without compromising quality.
- The sharing of views in an informal setting.

The suggested actions that came from the workshop were:

- Refine the Terms of Reference to better reflect priorities
- Explore ways of engaging and involving the wider tenant population
- Organise regular informal review sessions
- Improve communications especially where changes to plans occur
- Learn from mistakes and continually improve
- Continue to find ways of minimising disruption to tenants during the work within their homes.

The Task Group thanked the Officer for the report and discussion ensued. Task Group Members wished it noted that the workshop was very beneficial and provided an opportunity to discuss any issues within the WHQS Programme, such as contractor issues with key Officers, as well as make any necessary revisions to the Terms of Reference.

A Task Group Member sought further information on the proposed agenda and reporting process and it was highlighted that, the Terms of Reference have been revised and future reporting and agenda's would be considered in a similar manner to Scrutiny, in which information reports could be called forward for discussion, if necessary. Agenda's would clearly outline to the Task Group, the process in which to follow in order to call forward a report and the deadline in which to do so.

Discussions ensued in reference to WHQS contracts and concerns were raised about tenant involvement in contract compliance and possible cost implications to the Authority and WHQS Programme. It was noted that there had been some issues raised with Officers in the past, which had not been addressed, and it was felt that the Tenant Representatives should be made aware of any contractual issues. Officers explained that Contract Management was a recognised risk from the outset of the programme and acknowledged that tenants have raised concerns about one particular contract. Due to the scale of the programme and the number of contractors and sub-contractors and pressing timescales, there is an expectation that things will not always go to plan. Tenants were reminded to bring any concerns they have to the Head of Programmes for WHQS who will instigate an appropriate investigation.

The Task Group were provided with an update on the recent issues highlighted in Argoed. It was noted that, following recent works to replace kitchens, further inspection had highlighted defective ground floors of 6 properties, 3 of which had had replacement kitchens. Following consideration, it was agreed that the ground floor throughout the 6 properties would be replaced, which would delay the programme in Argoed and raised further issues for living arrangements for the 6 resident families during the works.

A Task Group Member queried why the issues had not been identified when surveying the properties. Officers highlighted that the defect was picked up by a sub-contractor. The ground floors are not normally checked as part of the survey process and due to the area and location of properties, and the form of construction of the ground floor could all be contributing to the problem.

The Task Group sought information on the financial position when having to fund additional works. Officers explained that there are currently no estimates on the additional cost of the works in Argoed; however it would be funded by the Programme and this was no different to absorbing additional costs in other part of the County Borough arising from defects in the properties.

Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the Officers report:: -

- (i) the minor changes to the Terms of Reference be agreed;
- (ii) the procedural amendments in respect of information items be accepted;
- (iii) the proposal for an annual review workshop be supported;
- (iv) any actions arising from the workshop, within day to day business be incorporated as appropriate.

5. FIRE SAFETY MEASURES FOR COUNCIL OWNED FLATS

Following a Members request, F. Wilkins, Public Sector Housing Manager presented the report, which provided details on the fire safety measures already provided and planned to be undertaken to all three storey Council owned flats, to comply with the Regulatory Reform (Fire Safety) Order 2005.

It was noted that the Councils housing stock currently stands at 10,865 properties which includes 184 three storey Council owned flats, which are required to comply with the regulations as the individual entrance doors to the flats open onto an enclosed communal landing and stairway.

In order to improve safety for tenants and comply with the Regulatory Reform Order, most blocks of flats within the Borough have been risk assessed by the Fire Officer from the Corporate Health and Safety Team. The risk assessments identified works, which are being progressed such as; ventilating enclosed communal areas with openable windows on landing areas or permanently open louvre vents; letters and detailed guidance notes have been sent to all tenants to advise them that communal areas must be free of any obstructions, combustible materials or items; Emergency lighting has been fitted within communal areas to ensure that walkways and access routes are lit in the event of power failure and all doors opening onto an enclosed communal area are required to provide a half hour fire resistance (FD30S). Due to the scale of works and cost associated to bring all internal doors to standard, the Fire Service accepted that this could be progressed on a planned basis, and work is ongoing to complete this exercise.

The Task Group thanked the Officer for the report and discussion ensued around Mobility Scooters and storage within flats. It was noted that, if a resident is prescribed a mobility scooter by a GP, adaptations to accommodate the scooter would be considered within the property, however, if the scooter was purchased, it would be up to the tenant to ensure that the scooter is stored safely and appropriate, and in compliance with Fire Safety Regulations.

A Member queried the financial implications for the works, which were not available within the report. It was noted that due to the tendering process still being underway, financial information is not currently available, however, Officers assured the Task Group that information would be circulated by email in due course.

6. HOUSING LAND ASSET REVIEW

The report informed the Caerphilly Homes Task Group in respect of the progress of the Authority's Housing land asset review.

It was noted that significant land and property assets sit within the Housing Revenue Account, distributed throughout the County Borough. A review is being undertaken to provide base information about these assets to ensure that land and property meet objectives allied to the achievement of WHQS or longer term aims of developing new social housing. The review will also inform the delivery of the WHQS environmental programme, and provide a basis for the potential rationalization of land holdings.

To date, 1008 individual sites across seven estates have been surveyed, investigated and have received a recommendation under one of nine agreed categories, however, no final decisions have yet been taken in relation to the future of these sites, pending consultation with local residents and Members.

Task Group Members noted that an interactive database with online functionality has been developed to support the review, which is used to store and display the individual report produced for each site and a demonstration of the database was given, which highlighted the sites where the review had been completed.

The Caerphilly Homes Task Group noted the report.

7. TENANT PARTICIPATION IN THE HOUSING SERVICE

M. Betts, Community Participation Officer provided an overview of the report, which provided an update to the Caerphilly Homes Task Group on tenant participation activities and also responds to a request for an update on the pilot review undertaken by the Housing Improvement Partnership (HIP).

The report detailed the activity and progress under the four main objectives of local tenant participation with additional information on the tenant participation budget.

- To develop tenant review – At a strategic level the Caerphilly Homes Task Group remains the main mechanism to review public housing Services. At an operational level there are a number of continuing activities and new initiatives, which includes The Repairs and Improvements Group to monitor response repairs, Caerphilly Service Improvement Monitors (CSIMS) to monitor and survey the WHQS works conducted and the Housing Improvement Partnership (HIP) was developed in February 2015 with the aim to understand customer demand and produce a staff handbook to help Caerphilly Homes to improve housing services.
- Increased tenant engagement – The rent consultation focus groups played an active role in bringing in tenants who had not previously engaged with housing services. Estate walkabouts were conducted in Lansbury Park and Graig Y Rhacca, the responses were disappointing from these, however it is intended to try more walkabouts in the future.
- Improve Information Flow to the Wider Tenant Body – The tenant involvement team has supported the production of a video, and digital story telling projects for Communities and Rents Section. In addition, and in conjunction with the Rents Manager, text messaging services have been utilised to advertise involvement opportunities.
- Mainstreaming of Tenant Participation – Tenant and Community Involvement Team has participated in a project run by the Chartered Institute of Housing to consider future tenant involvement. Organisations have been encouraged to review their own tenant involvement structures and activities and consider further development.

The Task Group thanked the Officer for the report and further information was sought on the review of the Tenant Participation Strategy. Officers highlighted that work is currently underway with the Chartered Institute of Housing and there are plans to update the Strategy, which will take into consideration the changes and developments made since 2012, however, it was noted that there is no statutory requirement for the Local Authority to produce a Strategy.

The Task Group discussed Tenant Groups and Associations and queried whether there have been any changes in the numbers of functioning groups. Officers highlighted that, whilst there are changes taking place within estates and tenants associations, there haven't been any changes since the writing of the report.

The Task Group thanked the Officer for the report and noted its contents.

8. TO RECEIVE ANY REQUESTS FOR AN ITEM TO BE INCLUDED ON THE NEXT AVAILABLE AGENDA.

The following requests were received:-

1. Mr C. Davies requested an update on the procurement process. Clarification was sought on the request and it was noted that the procurement process is an ongoing one, which has to respond to changing circumstances.
2. Mr C. Davies requested a status report on the Community Improvement Fund. The Task Group noted that a review is currently being conducted on the various funding initiatives established following the ballot. A report will be provided to the Task Group in due course.

The meeting closed at 6.20 p.m.

Approved as a correct record subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 10th December 2015.

CHAIR

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PENSIONS/COMPENSATION COMMITTEE

MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH ON WEDNESDAY 9TH DECEMBER 2015 AT 1PM

PRESENT:

Councillor Mrs J. Gale - Chair

Councillors:

H.A. Andrews, D. Carter, Ms J.G. Jones, C.P. Mann, D.W.R. Preece, Mrs M. E. Sargent

Appropriate Cabinet Member - Councillor N. George

Together with:

L. Donovan (Acting Head of HR and Organisational Development), R. Hartshorn (Head of Public Protection), H. Morgan (Senior Committee Services Officer).

1. APOLOGIES

Apologies for absence were received from Councillor W. David.

2. DECLARATIONS OF INTEREST

There were no declarations of interest made at the beginning or during the course of the meeting.

3. APPLICATION FOR EARLY RETIREMENT BY MUTUAL CONSENT ON GROUNDS OF BUSINESS EFFICIENCY IN PUBLIC SERVICES

Members considered the public interest test certificate from the Proper Officer 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 100A(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 identified in paragraphs 12 and 14 of Part 4 of Schedule 12A of the Local Government Act 1972.

Consideration was given to the report which sought approval for an application for early retirement by mutual consent on the grounds of business efficiency giving access to non-actuarially reduced pension benefits under the Local Government Pension Scheme (LGPS) for 1 employee within Public Protection.

Following detailed discussion on the application, it was moved and seconded that the recommendation within the report be approved. By show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the report and outlined at the meeting, the request detailed for the early access to non-actuarially reduced pension benefits under the LGPS, to support Public Protection to achieve some of its required budgetary savings for 2015/16 be approved.

The meeting closed at 1.15pm