



POLICY AND RESOURCES SCRUTINY COMMITTEE – 31ST MAY 2016

**SUBJECT: IMPROVEMENT OBJECTIVE IO5 – INVESTMENT IN COUNCIL HOMES
TO TRANSFORM LIVES AND COMMUNITIES**

REPORT BY: CORPORATE DIRECTOR - COMMUNITIES

1. PURPOSE OF REPORT

- 1.1 To update progress against Improvement Objective (IO5) - Investment in Council homes to transform lives and communities for the 2015/16 financial year.

2. SUMMARY

- 2.1 During the course of 2015/16 1415 properties have benefitted from internal improvements against a target of 1835, a performance of 77%. Eight external works contracts have reached practical completion relating to 203 properties in Markham, Argoed, Oakdale and Hengoed. This is well below the target of 1520. However there is significant pipeline of external works on the ground, at contract award stage or being tendered. The estimated out turn capital expenditure is circa £25m (the actual figure will be confirmed when the accounts are closed in May 2016).
- 2.2 Note the targets of 1835 (internals) and 1520 (externals) were agreed in year as a result of reprofiling the programme and are lower than the original targets that were set prior to the start of the 2015/16 financial year.
- 2.3 For 2015/16 the objective has been assessed as partially successful.

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. The Welsh Government requires that the standard 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 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”.
- 3.4 *The WHQS Programme contributes to the Council’s anti poverty strategy launched in June 2015.*

4. THE REPORT

- 4.1 The last report to Policy and Resources Scrutiny committee on I05 in November 2015 explained that the WHQS Programme was subject to reprofiling resulting in some community sequence changes. The reprofiling was presented to the Caerphilly Homes Task Group in December 2015 and approved by Cabinet in February 2016. This resulted in changes to the targets for internal and external work for 2015/16.
- 4.2 Internal works completions for 2015/16 are 1415 against a target of 1835, a performance of 77%. An additional 93 voids have been brought to WHQS (internally) by Housing Repair Operations (HRO). The slippage is due to a number of reasons including no access to properties, contractors' under performance, capacity within the WHQS to provide complete contract packages with adequate lead in periods, delays with external asbestos surveys, backlog of OT intervention plans. During the year there has been concerted effort to improve the position on a number of fronts. However the no access is a growing problem which represents around 40% of the slippage.
- 4.3 The no access properties will be removed from the year end slippage so they do not distort the carried forward properties where works can be undertaken. The carried forward properties into the 2016/17 financial year represent around 8 to 10 weeks work across all the internal works contract arrangements.
- 4.4 Whilst the slippage situation needs to be minimised it is unlikely to be completely eradicated as there will always be issues affecting individual properties and as far as practical consideration is given to tenants when work is being planned. For example, with Easter falling at the end of the financial year a number of properties were postponed due to tenants not wanting work going on in their homes during the Easter period.
- 4.5 Based on the performance levels achieved during 2015/16 there is sufficient flexibility to complete the internal works programme by March 2020.
- 4.6 Eight external works contracts have been completed during the 15/16 year. Seven of these are small lots contracts in the Eastern Valleys and the other is the Unity bungalows in Hengoed. Although the external works programme has suffered a number of setbacks there is a significant volume of work in the pipeline. Delays were caused during 2015/16 as a consequence of decisions taken by the Project Board to review the external works specification due to concerns about escalating costs. This resulted in a number of areas having to be re-surveyed. It has also been necessary to respond to survey findings which in many cases are resulting in an increased amount of work beyond that anticipated based on the original Savills stock condition survey. In particular the prevalence of damp and mould is an increasing problem.
- 4.7 The HRA garage programme is being managed by Building Consultancy and a provisional timetable has been issued to complete all the remaining work by April 2017.
- 4.8 There are two major gaps in the current contract arrangements. These relate to the external works in the LRV (including the Ty Sign and Cefn Fforest estates, following a review of the small lots in the EV) and the sheltered housing schemes (internal and external works). Decisions have recently been taken on how these aspects of the programme will be taken forward.

5. EQUALITIES IMPLICATIONS

- 5.1 An Equalities Impact Assessment is not required as the report is for information.

6. FINANCIAL IMPLICATIONS

- 6.1 The Capital Programme for 2015/16 is £36.2m. It is projected that the out turn capital expenditure will be circa £25m (to be confirmed when the accounts are closed) resulting in an underspend of £11m. The underspend will be utilised to fund the future years programme.

7. PERSONNEL IMPLICATIONS

- 7.1 The volume of work and maintaining the pace is placing the WHQS team under pressure. A review of the senior management within Caerphilly Homes has been initiated and this is likely to lead to further reviews of the delivery arrangements. Fundamentally there has to be the capacity to cope with the volume of work. Staff movement and recruitment will be a continuing risk to the delivery of the programme.

8. CONSULTATIONS

- 8.1 Comments have been incorporated in the report.

9. RECOMMENDATIONS

- 9.1 Members are asked to note the content of the report and to agree or challenge the judgement of partially successful at the full year stage.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To advise Members of the progress made in 2015/16 in meeting the improvement objective and to gain agreement on the judgement of the service as to progress made to date.

11 STATUTORY POWER

- 11.1 Local Government Measures 2009.

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Consultees:

Cllr Dave V Poole	-	Deputy Leader & Cabinet Member for Housing
Cllr David Hardacre	-	Cabinet Member for Performance & Asset Management
Christina Harrhy	-	Corporate Director – Communities
Nicole Scammell	-	Acting Director of Corporate Services & S151 Officer
Clive Davies	-	Chair Caerphilly Homes Task Group
Cllr Elaine Forehead	-	Vice Chair Caerphilly Homes Task Group
Shaun Couzens	-	Chief Housing Officer
Marcus Lloyd	-	Deputy Head of Programmes
Ros Roberts	-	Performance Manager
Ian Raymond	-	Performance Management Officer

Appendix 1: Improvement Objective Scorecard