



## **POLICY AND RESOURCES SCRUTINY COMMITTEE**

**MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH ON  
TUESDAY, 31ST MAY 2016 AT 5.30 P.M.**

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PRESENT:

Councillor S. Morgan – Chair  
Councillor G. Kirby – Vice-Chair

Councillors:

L. Binding, Mrs P. Cook, C.J. Cuss, Miss E. Forehead C. Hawker, Ms J.G. Jones, A. Lewis, C.P. Mann, D. Rees, J. Taylor

Cabinet Members:

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

Together with:

N. Scammell (Acting Director of Corporate Services and Section 151 Officer), S. Couzens (Chief Housing Officer), P. Davy (Head of Programmes), L. Donovan (Acting Head of Human Resources and Organisational Development), S. Harris (Interim Head of Corporate Finance), C. Jones (Head of Performance and Property Services), L. Lucas (Head of Procurement), G. Williams (Interim Head of Legal Services and Monitoring Officer), G. Williams (Acting IT Operations Manager), C. Forbes-Thompson (Interim Head of Democratic Services) and R. Barrett (Committee Services Officer)

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

Apologies for absence were received from Councillors J.E. Fussell, R. Saralis and J. Simmonds.

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

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

### **3. MINUTES – 1ST MARCH 2016**

RESOLVED that the minutes of the Policy and Resources Scrutiny Committee held on 1st March 2016 (minute nos. 1 – 11) be approved as a correct record and signed by the Chair.

#### **4. CALL-IN PROCEDURE**

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

#### **5. REPORT OF THE CABINET MEMBER**

The Scrutiny Committee received verbal reports from Cabinet Members D.T. Hardacre and D.V. Poole.

Councillor D.T. Hardacre (Cabinet Member Performance and Asset Management) referred to the Year End Performance Report for Corporate Services that was due to be presented at the meeting and outlined the challenges that lay ahead in respect of Performance Management and Property Services

The Cabinet Member explained that Performance Management has been strengthened, particularly in relation to self-evaluation and risk management, and has moved from measuring compliance to supporting service improvement. The Performance Management Unit is preparing for the introduction of the Well-being of Future Generations (Wales) Act 2015 and the impact that this will have on Performance Management and the Regulator's approach to monitoring/evaluation. Further updates will be brought back to the Policy and Resources Scrutiny Committee when the impact of the Act becomes clearer. It was explained that the introduction of the new Public Services Board may place unknown additional demands on the Performance Management Unit.

The Cabinet Member also outlined future plans in respect of Property Services. These include bringing forward land for disposal/regeneration as a result of the completed Risca Flood Alleviation Scheme. There are also plans to maintain the momentum of the Statutory Maintenance improvements, complete the sales of Pontllanfraith House and Dyffryn House, continue with the council's Asset Rationalisation programme, and co-ordinate the development and agreement of a whole authority Asset Management Strategy.

D.V. Poole (Cabinet Member for Housing) referred to the Improvement Objective IO5 – Investment in Council Homes to Transform Lives and Communities Report that was due to be presented at the meeting and summarised progress in respect of the Welsh Housing Quality Standard (WHQS) programme. Cabinet recently received a positive report on the change that has occurred over the last 12 months, with real evidence of an increase in momentum. Three times the number of properties have benefitted from internal improvements compared with the year before. There is £6m worth of work on the ground across 11 external works contracts and another £2m at contract award stage. The outturn on the capital programme for 2015/16 is £28m, which is 3 times the scale of the pre-WHQS housing capital programme.

Contract arrangements for the Lower Rhymney Valley and for the sheltered housing schemes have recently been reviewed and a significant part of the WHQS work to sheltered housing schemes will now be undertaken by the in-house workforce, which continues to receive high levels of satisfaction from tenants. A new contract framework will be procured for the Lower Rhymney Valley, which will be structured in such a way to provide contingency arrangements for either internal or external works across the county borough. Added value benefits include 70 permanent jobs created across the major contracts and over 30 apprenticeships created by the contractors and the in house workforce.

Progress is closely monitored through the WHQS Project Board on a fortnightly basis. There are significant variances in costs across all parts of the programme but current projections indicate that the Authority remains within the limit of affordability of the Housing Revenue Account borrowing cap. The Cabinet Member stated that if the current momentum is sustained, he was confident that the 2020 deadline to meet the Welsh Housing Quality Standard could be achieved.

The Cabinet Members were thanked for their reports.

## **6. POLICY AND RESOURCES SCRUTINY COMMITTEE FORWARD WORK PROGRAMME**

Cath Forbes-Thompson (Interim Head of Democratic Services) presented the report, which outlined details of the Policy and Resources Scrutiny Committee Forward Work Programme (FWP).

Members were advised that the draft FWP includes all reports identified at a Scrutiny Committee workshop on 1st March 2016 and outlines the reports planned for the period June 2016 to April 2017. The FWP is made up of reports identified by Officers and Members during the workshop and has been prioritised into three priority areas (priority 1, 2 or 3).

Members were asked to consider the draft FWP alongside the Cabinet Work Programme as appended to the report and to suggest any changes prior to it being finalised and published on the Council's website. It was explained that Scrutiny Committee will review this FWP at every meeting going forward alongside any changes to the Cabinet Work Programme or report requests.

A number of amendments were suggested, and it was agreed that the following reports be withdrawn from the FWP and placed on the Members' Portal as information items: HRA Budget Monitoring, Treasury Management and Prudential Indicators Monitoring Outturn Report – 2015/16, and the Equalities and Welsh Language Annual Report. Additionally, it was agreed that the following reports scheduled for presentation to Cabinet be placed on the Forward Work Programme: Welsh Language Standards Year Strategy, and Treasury Management – Review of MRP Policy.

Following discussion on the contents of the draft FWP and the scheduling of future reports, it was agreed that subject to the foregoing amendments, the final version of the Policy and Resources Scrutiny Committee Forward Work Programme be published on the Council's website.

## **7. CABINET REPORTS**

None of the Cabinet reports listed on the agenda had been called forward for discussion at the meeting.

### **REPORTS OF OFFICERS**

Consideration was given to the following reports.

## **8. YEAR END PERFORMANCE REPORT FOR CORPORATE SERVICES**

Nicole Scammell (Acting Director of Corporate Services and Section 151 Officer) presented the report, which provided Members with a performance update of the Corporate Services Directorate. The report reviewed performance against objectives and highlighted the exceptions, set out key objectives/priorities for the next twelve months, and identified areas for improvement.

Details of performance against each service area within Corporate Services, together with future challenges and areas of improvements for the year ahead, were summarised, with full details included within the report. Members were advised that during 2015/16 there was evidence of excellent performance but that areas of poorer performance had also been

identified. 2016/17 will continue to be driven by the need to deliver better services with fewer resources.

Reference was made to the demands that had been placed on the Council's IT Service throughout 2015/16, including the diversion of resources to deliver essential technological changes/upgrades, IT support to the WHQS programme, and the IT Service's critical involvement in the asset rationalisation programme associated with the closure of Pontllanfraith House. As a result, some aspects of the service have underperformed in 2015/16 but it is anticipated that the situation will improve in 2016/17. Members were also advised of a number of interim management arrangements that have been implemented within Corporate Services, following the recent retirement of the Acting Head of ICT and Customer Services, which should enable a single focus of the Head of IT on just IT.

Cabinet Members Mrs B. Jones (Corporate Services) and Mrs C. Forehead (HR and Governance/Business Manager) then highlighted a number of key points within the report. It was explained that the IT systems used by some departments (such as the Housing Benefits section) had not been compatible with the new IGELs and hence alternative PC solutions had been approved in such cases. This should improve Housing Benefit performance in 2016/17.

Members were advised of the support provided by Corporate Services to all of the Corporate Priorities and Improvement Objectives, and to meeting the goals contained within the Well-Being of Future Generations Act 2015. It was noted that despite the ongoing austerity programme, Corporate Services have delivered a balanced budget for 2015/16 after delivering the highest level of savings of all Directorates, whilst generally delivering a good level of service. There were just 16 compulsory redundancies across the Authority in 2015/16 (with 14 of these as a result of end of fixed term contracts) which demonstrated the success of the HR and Medium Term Financial Plan (MTFP) policies as supported by Members.

Discussion took place regarding the computer replacement programme and Officers explained that this had been funded from a holding account. They confirmed that there were no additional costs to the Authority arising from alternatives to the IGELs having to be sourced for some departments, as surplus IGEL stock could be utilised elsewhere. It was also confirmed that the time/manpower taken to resolve the problems associated with the new technology in some departments had been minimal.

A Member referred to the IT network and system availability issues that had been experienced within the Authority during 2015/16. Officers confirmed that all IT upgrades would be completed by August 2016 and that an improvement in performance is expected after this time. The Council is currently undergoing an outline business case process to evaluate a Shared Resource Services (SRS) collaboration option, which could provide better value for the Authority and a more resilient IT service.

Clarification was sought on internal procedures that have been identified within Corporate Customer Services as requiring review. Officers explained that this related to cash collections across Customer First Centres with a view to improving the process.

A Member suggested that it could be useful to compare performance within Corporate Services against the All-Wales average. Officers explained that there is a lack of consistency regarding key performance indicators within Corporate Services across other Welsh authorities and therefore it is difficult to make a comparison, although they attempt to gather this information wherever possible. Some key indicators were still available i.e. council tax and housing benefits. Officers also confirmed that they use all available methods (including benchmarking, customer feedback and relevant accreditation) to demonstrate performance.

Reference was made to the low percentage of housing benefit interventions completed per annum. Officers explained that there are limited resources available to complete interventions but that the target for this year has been exceeded so far.

Discussion took place regarding the number of leavers within the Authority in 2015/16, details of redundancy payments and the number of agency workers engaged by the authority, including their length of service. Members noted a high level of sickness within Customer Services, and Officers explained that this situation is currently being addressed in line with the Council's Managing Sickness Absence Procedure.

A Member sought comparative data regarding Reactive Maintenance Key Performance Indicator Results within Property Services to ascertain whether there had been an improvement on previous years in relation to the Response Repairs service. Officers explained that Response Repairs are a relatively new department and therefore there is no data available for previous years. They explained that the outcomes are consistently over 90% for repairs completed within targeted times which is considered to be a high standard.

The Scrutiny Committee were pleased to note that 97% of all council tax bills issued for the 2015/16 financial year had been collected in full. Officers confirmed that this figure related to original bills and outlined the proactive initiatives undertaken by the department to achieve this figure (such as text message and council tax circulars). A Member queried the impact of Universal Credit on council tax payments in the future, and Officers confirmed that this situation is currently being monitored, but has had minimal impact to date.

A Member sought an update in respect of Procurement's review of processes to improve/remove barriers to tendering by local businesses (particularly in relation to the WHQS small lots programme). Officers outlined the support from Council staff that is available to interested parties when completing tender paperwork and explained that the situation is being monitored and continually reviewed to accommodate as many providers as possible.

Reference was made to future challenges within Property Services and a Member queried progression on the sales of Pontllanfraith House and Dyffryn House. Officers confirmed that Pontllanfraith House has been advertised in national property journals with interested parties invited to tender by the end of June 2016. A single bid has been received for Dyffryn House and has been accepted. Contract completion is subject to planning approval and the site currently remains occupied by Council staff.

Following consideration of the report, Members noted its contents, together with the progress made against performance objectives within the Corporate Services Directorate for 2015/16.

## **9. ADJOURNMENT**

Following consideration of this item, it was agreed at 6.48 pm that the meeting adjourn for a short recess. The meeting reconvened at 6.57 pm.

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

Phil Davy, (Head of Programmes) presented the report, which provided an update in respect of Improvement Objective 5 for 2015/16 (investment in Council Homes to Transform Lives and Communities).

Members were asked to note that revised targets of 1835 (internals) and 1520 (externals) were set during the 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. Full details of the progress made in respect of this Improvement Objective were appended to the report.

It was explained that during 2015/16, 1415 properties have benefitted from internal improvements against a target of 1835 (77%). Officers explained that this slippage is due to a number of reasons, with the main cause being a lack of access to a significant number of

properties in order to carry out internal works. Based on the performance levels achieved during 2015/16, there is sufficient flexibility to complete the internal works programme by March 2020.

Eight external works contracts have reached practical completion relating to 203 properties in Markham, Argoed, Oakdale and Hengoed, which is well below the target of 1520. However there is a significant pipeline of external works on the ground, at contract award stage or being tendered. There were a number of delays 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, and which 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. However, Officers explained that they are much better placed in terms of surveying works compared to the same period in 2014/15.

The outturn capital expenditure for 2016/17 has now been established as £28m and momentum is being achieved regarding the HRA garage programme (which is being managed by Building Consultancy), with a provisional timetable issued to complete all the remaining work by April 2017.

It was explained that there are currently two major gaps in the current contract arrangements. These relate to the external works in the Lower Rhymney Valley 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.

Members were advised that for 2015/16 the Improvement Objective has therefore been assessed as being partially successful.

The Officer was thanked for his report and discussion took place regarding the tender process for contractors in relation to the WHQS programme. Members were advised that due to a shortage of local contractors to fulfil the available small lots contracts, a recent review of contract arrangements has allowed tender invites for small lots contracts to be extended to include contractors located outside the county borough. It was explained that this revised tender process is now nearing completion.

A Member enquired as to whether there are ways to expedite the tender process for local contractors. Officers emphasised that appropriate checks (such as health and safety) have to be undertaken for all applicants as part of the tender process but that interested parties receive support from dedicated Council staff when undergoing this process. Members were also advised that there have been occasions where contractors have made a successful bid but have decided not to proceed with the contract after it has been awarded to them (which have further contributed to slippage within the external works programme).

Discussion took place regarding the levels of slippage regarding the WHQS programme to date and the steps that would be undertaken to minimise these in the future. Officers explained that the programme is now achieving momentum in terms of surveying works and via the more effective use of contractors, and that they were confident that future slippage would be minimal (although there is always the possibility that unforeseen problems may arise).

Reference was made to the slippage against the internal works programme brought about by a lack of access to properties. Officers explained that this issue is more prevalent within certain estates and outlined the processes by which they attempt to engage with the tenant and gain access to complete the internal works. A Member expressed the need for this issue to be addressed, and Officers outlined the circumstances in which they can enforce access to these properties.

A Member asked if tenants had been advised of changes to the programme of works as a result of the reprofiling exercise. Officers explained that updated information would be provided in the next issue of the Caerphilly Homes tenants newsletter.

Reference was made to the resurveying of a number of areas which have resulted in an increased amount of work to properties, including an increased prevalence of damp and mould. Officers explained that the majority of these problems relate to the saturation of cavity wall insulation (which has led to damp in some properties) and that a strategy is currently being developed to resolve such issues.

Discussion took place regarding the standard of improvement works needed to meet the requirements of the WHQS. Officers explained that measures have been implemented to ensure that the standard of works across all contract arrangements meet WHQS requirements.

Members noted the efforts of the in-house workforce to achieve the Welsh Housing Quality Standard by 2020 and requested that a letter of thanks be sent to staff on behalf of the Committee.

Following consideration of the report and in noting its contents, Members unanimously agreed that Improvement Objective IO5 be judged as partially successful for 2015/16.

The meeting closed at 7.40 pm

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 12th July 2016, they were signed by the Chair.

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CHAIR