



CAERPHILLY HOMES TASK GROUP (WELSH HOUSING QUALITY STANDARD)

**MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH
(SIRHOWY ROOM)
ON THURSDAY 22ND MAY 2014 AT 5:00PM**

PRESENT:

Ms. A. Lewis - Chair
Mrs D. Price - Vice Chair

TASK GROUP MEMBERS:

C. Davies, R.T. Davies, K. James, Mrs B. Jones, G. Jones, Mrs S. Jones, Ms. A. Lewis, Mrs A. McConnell, C.P. Mann and J. Moore

Officers: P. Davy (Head of Programmes), S. Couzens (Chief Housing Officer), M. Jennings (Housing Strategy Officer), S. Isaacs (Rents Manager) and E. Sullivan (Democratic Services Officer).

CHAIRMAN'S ANNOUNCEMENT

The Chair welcomed Mrs Barbara Jones the new Councillor Representative and Cabinet Member for Corporate Services to her first meeting of the Caerphilly Homes Task Group.

Members were advised that the revised Terms of Reference for the Caerphilly Homes Task Group agreed at the last meeting had been approved by Council on the 22nd April 2014. As a result the agenda template for the Task Group had been amended, the different sections of the revised agenda were outlined and the new format noted.

1. APOLOGIES

Apologies for absence were received from Miss L. Ackerman and Mrs G. Henderson.

2. DECLARATIONS OF INTEREST

Ms. A. Lewis, Mr C. Davies, Mrs B. Jones, Mrs S. Jones, Mrs A. McConnell and Mr J. Moore as Council Tenants declared a personal but not prejudicial interest in all agenda items.

3. MINUTES

RESOLVED that the minutes of the meeting held on the 16th April 2014 be approved as a correct record and signed by the Chair.

4. WHQS INTERNAL WORKS CONTRACTS

The report advised Members on the outcome of the tender process for the internal works contracts, the benchmarking of the tender rates and the dialogue with contractors.

Officers confirmed that the contract structure for the internal works programme had proposed that half of the works would be undertaken by the in house work force and the other half by contractors. The contracts were subject to a procurement process during 2013 which included a number of events to engage with suppliers and ensure the market was informed of the tender opportunity. Having evaluated the tenders received it became apparent that there were issues in relation to value for money and affordability. A due diligence exercise was undertaken to benchmark the rates offered and a dialogue with the contractors who submitted complaint tenders was initiated. As a result of this exercise all contractors submitted significantly improved offers.

Despite the improved rates the estimated work costs across the three lots was noted to be around 10% or £4.97m higher than the Savill's cost plan which formed the basis of the WHQS business plan.

Members were advised of the additional costs and savings that had arisen since the retention of the business plan and the range of the variances outlined for information. It was noted that there were early indications that the pattern of savings achieved in 2013/14 would be repeated in 2014/15 which had the potential to reduce the estimated expenditure on the internal works.

In terms of slippage to the programme it was noted that the due diligence review had resulted in a delay of six months. However Officers were confident that this could be made up provided the award of the internal works contracts proceeded at this time. The Project Board would closely monitor the situation and the role of Officer's in managing the work going forward would be vital. Further IT investment would also be required to drive efficiencies in working practices.

Members were referred to the recommendations as detailed in sections 9.1, 9.2 and 9.3 of the report in order to progress the WHQS Programme in accordance with the agreed contract structure and to address the slippage and value for money issues.

The Chair thanked the Officer for his report and Members questions were welcomed.

Clarification was sought in relation to the level of difference between the rates tendered by the three contractors and the Officer confirmed that they had been very similar in nature.

Reassurance was sought that this figure would not be subject to further increase and Members were advised that the estimated additional costs would be difficult to accurately calculate until the extent of the work required in every single property has been surveyed however the programme was still considered to be within the overall financial envelope.

Welsh Government deadlines for the completion of the programme were discussed and clarification sought as to their views on the delay. The Officer confirmed that there was regular dialogue with Senior Civil Servants in Welsh Government and they were very clear on the implications for the authority should it fail to meet the 2020 completion deadline. Members were assured that everything that could be done was being done to keep the programme on target. The Officer reminded Members of the unique nature of the programme and the very real difference it was making to the quality of individual tenant's lives.

A Member queried the ability to recover the slippage time and was advised that by providing advance information to contractors about the works programme resources could be deployed to make up for lost time and this would be subject to discussion with the contractors when appointed.

Clarification was sought in relation to Community Benefits and Members were advised that a future report would be presented to the Task Group on the community benefits achieved.

Members expressed their confidence in the Head of Programmes to deliver WHQS on time.

Having considered the contents of the report it was moved and seconded that Cabinet be informed of the endorsement of the Caerphilly Homes Task Group and by a show of hands this was unanimously agreed.

The Caerphilly Homes Task Group recommend to Cabinet: -

1. The awarding of the internal works contracts as follows: -

Eastern Valleys	Keepmoat
Upper Rhymney Valley	Vinci plc
Lower Rhymney Valley	Contract Services (South Wales)

2. Subject to the Council's ability to put in place arrangements that will provide greater certainty and longer advance notice of workload during the contract period negotiations are pursued with the contractors to achieve a further improvement to the discount percentage rates.
3. Following contract award discussion takes place with the contractors to explore how the slippage that has arisen on the 2014-15 internal works programme can be mitigated.

5. WHQS EXTERNAL WORKS CONTRACTS

The report advised the current position with regard to the external works contracts for the Upper Rhymney Valley and to the issues raised by the due diligence review of the tender process.

The external works contracts covered a wide range of repairs and improvements including roofing, rain water goods, fascias, soffits, external rendering, brickwork, windows, doors, paths, paved areas and fencing. The procurement for the Upper Rhymney Valley offered the works in one lot to three contractors with an estimated total value of up to £21m. On review the tenders returned for the Upper Rhymney Valley showed wide variances on the different elements of the external works and it became apparent that managing contracts with such variances would be problematic. The review also highlighted certain irregularities within the procurement process that could be open to challenge.

In light of the variances and the irregularities the review concluded that there were too many risks and potential difficulties to proceed with an award of the contracts. However retendering would result in an estimated 12 month slippage on the external works in the Upper Rhymney Valley. Members were advised that since this work had been planned over a 5 year period from 2014/15 it should still be possible to complete the works by 2019/2010 in accordance with the target date set for the whole of the WHQS Programme.

Officers confirmed that the safest option would be to terminate the current tender process and retender for the external works contracts in the Upper Rhymney Valley.

The Chair thanked the Officer for his report and Members questions were welcomed.

Clarification was sought with regard to the deadline for retendering and if this was realistic and achievable. The Officer confirmed that Procurement Services were confident that this was achievable. It was noted that the delay would work for the programme in certain aspects by allowing surveys of the actual work involved to be carried and creating the opportunity to tender the work on a different basis.

Having considered the contents of the report it was moved and seconded that Cabinet be informed of the endorsement of the Caerphilly Homes Task Group and by a show of hands this was unanimously agreed.

The Caerphilly Homes Task Group recommend to Cabinet that: -

1. In light of the issues raised by the due diligence review the tender process for the external works contracts in the Upper Rhymney Valley is terminated.
2. The external works contracts in the Upper Rhymney Valley be retendered and the WHQS Project Board be delegated to determine the most appropriate procurement strategy taking account of the availability of survey information that will inform the tender process and deliver value for money.

6. ROWAN PLACE, RHYMNEY

The report updated Members on the extent of the repairs and improvement works required to homes at Rowan Place, Rhymney.

On the commencement of the internal works programme at Rowan Place, Rhymney, Officers had become aware of damp issues in the properties and in order to accurately assess the situation the works had been suspended so that a survey could be undertaken to establish the extent of the problem. The survey had identified severe damp problems and extensive defects to the external fabric of the properties. Members were advised that previous surveys had been conducted over the summer months during a particularly dry period, the subsequent very wet winter had exposed weaknesses including severe damp, saturated cavity wall insulation, problems with lead flashing, guttering and roofs.

Officers confirmed that should the properties remain as part of the housing stock there would be no other option but to incur the expenditure to address the defects in the external fabric as a pre requisite of WHQS is that properties are free from damp and disrepair. The estimated costs to fully refurbish the properties both internally and externally based on the new survey was noted to be £4,234,000 against the original cost plan of £563,000 for internal and £55,900 for external works. However due the savings made elsewhere Officers were confident that the cost difference could be accommodated within the programme.

One possible option put forward for Members consideration was to reduce the stock through selective demolition. 48 of the properties at Rowan Place were noted to be 2 bedroom flats. The estate had been subject to long term voids primarily due to the poor reputation of the area. Demolishing 2 blocks of 4 flats would reduce the total number of flats to 40, and taking account of the costs of demolition and landscaping the cleared site there would be a net saving on the refurbishment costs. Members were advised that the investment in the homes combined with other measures to tackle the social problems, could reverse the perception and regenerate the area. It was also noted that a fungicidal wash had been applied to the internal walls of those properties severely affected by black mould and tenants were being kept fully informed of the progress made.

The Chair thanked the Officer for his report and Members questions were welcomed.

Concerns were expressed with regard to the selective demolition process, particularly given that there would be no opportunity for rebuilding in the area and the increasing demand for 2 bedroom properties as a result of the Welfare Reform Act. However Members also referenced other areas where selective demolition had improved both the physical appearance and social aspects of estates. Members were also mindful that should the demolition option be considered going forward then tenants should be consulted at the earliest possible opportunity.

The issue of selective demolition was debated at length and opinions were divided on the issue with Members being unable to reach a consensus.

The social development of the area was discussed and Members agreed that the establishment of a multi-agency task group to tackle problems would be essential to improving the area.

Concerns were expressed that the damp problems seemed to have manifested over a short space of time. Officers advised that last winter's particularly wet and stormy weather had exposed the weakness in the external fabric of the building resulting in the damp conditions currently being experienced. However once the source of the damp has been identified it can be rectified and with proper management should not reoccur. It was noted that very few maintenance requests had been received from tenants and it was only at the commencement of the internal works programme did the true extent of the problem come to light. The role of tenants in the management of properties was discussed and it was agreed that understanding how to manage a property in terms of condensation, heat and ventilation was vital for all tenants. Officers confirmed that guidance on these issues was included in the tenants handbook.

Clarification was sought as to whether any of the current residents had been moved out of properties due to the damp and should there be a requirement to decamp tenants during the repair works would any financial assistance be made available. Officers confirmed that it had not been necessary to move any tenants and a fungicidal wash had been applied to any affected walls. In terms of financial assistance for any decamped tenants, Members were advised that this issue was being reviewed and if necessary the payment of a disturbance allowance would be considered.

Having fully considered the report and the recommendations contained therein the Caerphilly Homes Task Group recommend that the Policy and Resources Scrutiny Committee support the following: -

1. a revised approach to Rowan Place by bringing forward the external works to be undertaken in parallel with the internal works in view of the extent of the damp problems. The works to be reprogrammed to commence during 2014/15.
2. to accept the estimated additional costs of £3.615m to be funded within the Business Plan flexibilities.
3. properties suffering severe damp where damage is extensive to undergo a full internal refurbishment and tenants offered the opportunity to relocate to a newly refurbished property (voids) in Rowan Place. The extent of internal refurbishment to other properties to be determined by their condition at the time of the works.
4. that the WHQS Project Board to given delegated authority to determine the most appropriate contractual arrangements between the in house team and contractors to expedite the works to meeting the new timeline.
5. other previous commitments to establish a multi agency task group to tackle the social problems and to create a show flat and welfare facilities are reaffirmed.

6. the tenant are kept informed about the programming of the repairs and improvement works.

Having been unable to reach agreement the Caerphilly Homes Task Group recommend that the Policy and Resources Scrutiny Committee consider and present a recommendation to Cabinet on:

1. whether to pursue limited selective demolition to reduce the overall number of 2 bedroom flats given the large concentration in Rowan Place. However if this option is followed consultation with residents in Rowan Place should take place at the earliest possible opportunity including discussion on the after use of the cleared site.

7. COMMUNITY IMPROVEMENT FUND

The report sought to consult the Task Group on the application from Rhymney Allotments Society for funding from the Community Improvement Fund.

The Society had requested a grant of £5,000 to improve access to the allotments including the installation of a handrail and ramp and the tarmac/concreting of existing pathways. It was noted that the facility was well used by the community and the improvements would aid tenants and residents with mobility difficulties to access the site. Officer's confirmed that the Local Ward Member fully supported the application.

Having considered the report the Caerphilly Homes Task Group fully endorsed the award of the funding to the Rhymney Allotments Society.

8. TENANCY REVIEW PANEL

The report provided details of the proposed Tenancy Review Panel and its terms of reference.

The Tenancy Review Panel would review all eviction cases and make recommendations to the Chief Housing Officer. The original membership of the Panel was outlined and it was noted that following consultation with Tenant and Member representatives and in consideration that to date Welfare Reform has not resulted in an increase in eviction that its membership now be made up of Officer's only.

As a result of this proposal the terms of reference for the panel had been revised and detailed in Appendix 1 of the report. It was noted that the Panel would review cases on an individual basis and would maintain a record of discussion and all recommendations made. A summary report relating to all cases considered would be presented to the Caerphilly Homes Task Group on a bi-annual basis.

The Chair thanked the Officer for his report and Members questions were welcomed.

Members agreed that an Officer led Panel was the best way forward and would be the most sensitive way of progressing any serious breaches of the tenancy.

Members commended Officers on the outstanding work they were already doing in relation to Welfare Reform and the assistance they provided to tenants and it was confirmed that there had not been a single conviction due to Welfare Reform.

Having considered the report the Caerphilly Homes Task Group fully endorsed its recommendations and were advised that this would be implemented as an Officer's delegated decision.

9. A PROGRESS REPORT ON THE DEVELOPMENT OF A COMMON HOUSING REGISTER AND COMMON ALLOCATION POLICY

The report updated Members on the progress being made on the development of the common housing register (CHR) and common allocation policy (CAP).

The preparatory works undertaken before initiating the project were outlined and consultation undertaken with other housing associations noted. The management of the project had been progressed through the establishment of four working groups with the first meetings taking place in October/November 2013. The working groups were confirmed as Applicant Engagement, Common Allocation Policy, Information Communication Technology and Communication and Information. It was noted that tenants were involved in each of the groups and the wider body of tenants would also be consulted. Officers confirmed that a Members Seminar would be scheduled and tenant representatives would be invited to attend.

Members were reminded that the overarching principle of the project was to increase the level of choice offered to applicants. The timetable of key milestones for the development and introduction of the CHT and CAP were detailed in section 4.11 of the report and Officer's confirmed that a comprehensive action plan had been produced to ensure that good progress was being made and timescales met. The date of the go live and launch event was noted and Members advised that this might need to be extended should a new ICT system need to be procured.

It was noted that the consultation period would follow Welsh Governments' recommended 12 week statutory period and a series of consultation events would be held throughout the county borough.

The Chair thanked the Officer for his report and full discussion ensued.

Members welcomed the progress made on the development of the Common Housing Register and Common Allocations Policy. The benefits of a single list were acknowledged and the full consultation period was agreed as a positive step forward.

Members queried if tenants from other registered social landlords had been included in the process. Officers confirmed that they would be working towards their inclusion and advised that surveys would be undertaken with tenants that had recently gone through the allocation process along with those already on the waiting list. This information would inform the wider consultation process.

Clarification was sought as to the composition and remit of the working groups. The Officer confirmed that the groups were recruited from a core group of tenants and each group tackled specific issues for example the Information Communication Technology group looked at system demonstrations and IT specifications and capabilities and the Communication and Information working group would look at surveys. The tenants on the groups were fully trained having received both introductory and specific group training and were mentored and supported.

Clarification was sought as to the frequency with which the groups met. The Officer confirmed that these were scheduled on a monthly basis however they would meet more frequently if required but this would be depend on the different stages of the project.

Members advised that tenant representatives on the working groups had expressed concern at the lack of meetings and interaction with Officers. Officers confirmed that when working on a project of this size it was not unusual for the detailed work to be completed outside the meeting forum but progress should be regularly fed back to tenants for consultation and discussion.

A Member referenced a previous Scrutiny Report during 2009/2010 and concerns raised regarding the CHR and asked if these had been addressed. The Officer confirmed that he was not aware of the report or the concerns raised but agreed to make further enquiries and provide feedback to the Task Group.

Clarification was sought with regard to the recruitment process for the working groups and how tenant representatives had been nominated. A Member expressed concern at the lack of representation from the north area. The Officer confirmed that tenants representatives who had expressed an interest in the project had been recruited from existing tenant groups. The work of the groups was discussed further and Members asked if any of the feedback received from tenants had been fed back into the process so far. The Officers confirmed that tenant suggestions were informing the project going forward and would form an important part of the wider consultation process.

Clarification was sought with regard to the Allocation Policy and the New Housing Bill in terms of community safety. Officers confirmed that all the authorities legal obligations under the new legislation would be incorporated into the policy to ensure that it reacted appropriately to any duty of care but assurance was given that this would not be at the expense of the wider community.

Having fully considered its content the Caerphilly Homes Task Group noted the report.

10. TO RECEIVE ANY REQUEST FOR AN ITEM TO BE INCLUDED ON THE NEXT AVAILABLE AGENDA

The following requests were received for reports to be included on the next available agenda:-

- 1) An update on the work of the Older Persons Review including banding and any resulting issues. (Ms A. Lewis).

The meeting closed at 19:06pm

Approved as a correct record subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 3rd July 2014.

CHAIRMAN