

Public Document Pack

Penallta House,
Tredomen Park,
Ystrad Mynach,
Hengoed CF82 7PG

Ty Penallta,
Parc Tredomen,
Ystrad Mynach,
Hengoed CF82 7PG



www.caerphilly.gov.uk
www.caerffili.gov.uk

For all enquiries relating to this agenda please contact Rebecca Barrett
(Tel: 01443 864245 Email: barrerm@caerphilly.gov.uk)

Date: 6th July 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, 12th July, 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

AGENDA

	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 31st May 2016.	
--	--

1 - 8

A greener place Man gwyrdach

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



- 4 Consideration of any matter referred to this Committee in accordance with the call-in procedure.
- 5 To receive a verbal report by the Cabinet Member(s).
- 6 Policy and Resources Scrutiny Committee Forward Work Programme. 9 - 24
- 7 To receive and consider the following Cabinet Reports*: -
1. Provision of Additional Supported Temporary Accommodation - Llys Tabernacle, Rhymney - 1st June 2016;
 2. Tenant Participation Strategy 2016-19 - 1st June 2016;
 3. Housing Repairs - Review of Recharge Discount - 1st June 2016;
 4. Welsh Language Standards Annual Report - 29th June 2016;
 5. Cabinet Forward Work Programme - 29th June 2016.

**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, 11th July 2016.*

To receive and consider the following Scrutiny reports:-

- 8 HR Strategy Document. 25 - 50
- 9 Year End Performance Report for Housing Services. 51 - 66
- 10 Reserves Strategy. 67 - 80

Circulation:

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

And Appropriate Officers



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.

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.

CHAIR

This page is intentionally left blank



POLICY AND RESOURCES SCRUTINY COMMITTEE – 12TH JULY 2016

SUBJECT: POLICY AND RESOURCES SCRUTINY COMMITTEE FORWARD WORK PROGRAMME

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

1. PURPOSE OF REPORT

1.1 To report the Policy and Resources Scrutiny Committee Forward Work Programme.

2. SUMMARY

2.1 Forward Work Programmes are essential to ensure that Scrutiny Committee agendas reflect the strategic issues facing the Council and other priorities raised by Members, the public or stakeholders.

3. LINKS TO STRATEGY

3.1 The operation of scrutiny is required by the Local Government Act 2000 and subsequent Assembly legislation.

4. THE REPORT

4.1 The Policy and Resources Scrutiny Committee forward work programme includes all reports that were identified at the scrutiny committee meeting on 31st May 2016. The work programme outlines the reports planned for the period July 2016 to April 2017.

4.2 The forward work programme is made up of reports identified by officers and members and has been prioritised into three priority areas, priority 1, 2 or 3. Members are asked to consider the work programme alongside the cabinet work programme and suggest any changes before it is published on the council website. Scrutiny committee will review this work programme at every meeting going forward alongside any changes to the cabinet work programme or report requests.

4.3 The Policy and Resources Scrutiny Committee Forward Work Programme is attached at Appendix 1. The Cabinet Forward Work Programme is attached at Appendix 2.

5. EQUALITIES IMPLICATIONS

5.1 There are no specific equalities implications arising as a result of this report.

6. FINANCIAL IMPLICATIONS

6.1 There are no specific financial implications arising as a result of this report.

7. PERSONNEL IMPLICATIONS

7.1 There are no specific personnel implications arising as a result of this report.

8. CONSULTATIONS

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

9. RECOMMENDATIONS

9.1 That Members consider any changes and agree the final forward work programme prior to publication.

10. REASONS FOR THE RECOMMENDATIONS

10.1 To improve the operation of scrutiny.

11. STATUTORY POWER

11.1 The Local Government Act 2000.

Author: Catherine Forbes-Thompson, Interim Head of Democratic Services
Consultees: Gail Williams, Interim Head of Legal Services and Monitoring Officer

Appendices:

Appendix 1 Policy and Resources Scrutiny Committee Forward Work Programme

Appendix 2 Cabinet Work Programme

Policy & Resources Scrutiny Committee Forward Work Programme
APPENDIX 1

Policy & Resources Scrutiny Committee Forward Work Programme July 2016 to April 2017			
Meeting Date: 12 July 2016			
Subject	Purpose	Key Issues	Witnesses
Reserves Strategy(P2)	Pre-decision	Following a review of the Reserves Protocol this report will seek Cabinet endorsement of a reserves strategy setting out details of the types of reserves held by the Authority, their purpose and the processes for authorising use of the reserves.	Interim Head of Corporate Finance – Stephen Harris
HR Strategy (P2)			Gary Enright - Unison
Housing – Performance Management	Performance Monitoring	To monitor performance within Housing Services against set targets.	Director - Christina Harry Shaun Couzens

Meeting Date: 4 October 2016			
Subject	Purpose	Key Issues	Witnesses
Strategic Asset Management Strategy (P1)	WAO has identified a need for the authority to produce a Corporate Asset Management Strategy. Following a presentation to Audit Committee by WAO council officers were requested to develop a Strategy. A draft Strategy will be presented to Scrutiny for their comments.	The draft Strategy will identify the various assets that the authority is responsible for and where appropriate refer the reader to individual service asset strategies/plans. Where such individual strategies/plans do not exist this will be identified. The Strategy will set out the principles for the future management of the various assets and set direction, as far as is possible in these uncertain times.	
State of the Estate (P2)	To present to Scrutiny a first edition of a proposed annual State of the Estate Report . The report describes how Corporate Property manages the council's Building Estate and focusses upon: Size of the estate Condition Energy Use Efficiency of Use Cost Savings.	Key issues included in the report include: <ul style="list-style-type: none"> • Corporate office rationalisation and its impact on alternative office efficiency. • Sustainability of the Office portfolio • Building Condition Improvement • Cost Saving 	Colin Jones – Head of Performance & Property Services
Welsh Language 5-Year Strategy (P3)	This report should be seen by Scrutiny, prior to Cabinet and Full Council. Under Standard 145 of the new standards local authorities are required to: “produce, and publish on your website, a 5-year strategy that sets out how you propose to promote the Welsh language and to facilitate the	The 5-Year Strategy will be drafted based on existing policies but in addition encompassing the requirements of the new Welsh Language Standards. The existing policies that would form part of the 5-Year Strategy are: Welsh medium education growth, current language commitments in the Strategic Equality Plan, Youth Service Plans, “More Than Just Words” for Social Services, and the local voluntary sector language profile.	Senior Policy Officer (Equalities and Welsh Language)

Policy & Resources Scrutiny Committee Forward Work Programme
APPENDIX 1

	<p>use of the Welsh language more widely in your area; and the strategy must include (amongst other matters) - (a) a target (in terms of the percentage of speakers in your area) for increasing or maintaining the number of Welsh speakers in your area by the end of the 5 year period concerned, and (b) a statement setting out how you intend to reach that target; and you must review the strategy and publish a revised version on your website within 5 years of publishing a strategy (or of publishing a revised strategy).”</p>	<p>There will be a consultation process to gather agreement of the content of the strategy</p>	
<p>Treasury Management – Review of MRP Policy</p>	<p>Pre-decision to be considered by Cabinet on 16th November</p>	<p>This report will set options for revising the Minimum Revenue Provision (MRP) Policy to identify potential savings to support the Medium Term Financial Plan (MTFP).</p>	<p>Interim Head of Corporate Finance – Stephen Harris</p>

Policy & Resources Scrutiny Committee Forward Work Programme
APPENDIX 1

Meeting Date: 15 November 2016			
Subject	Purpose	Key Issues	Witnesses
Corporate Services and Miscellaneous Finance 2016/17 Budget Monitoring Report	To inform Members of projected revenue expenditure for the Directorate of Corporate Services and Miscellaneous Finance for the 2016/17 financial year.	The report will project the anticipated final outturn for the Directorate of Corporate Services and Miscellaneous Finance based upon expenditure and income trends in the year to date. The report will also outline details of progress in delivering approved 2016/17 savings for those service areas.	Interim Head of Corporate Finance – Stephen Harris
B & B use as Emergency Accommodation (P1)	To provide a further update to members of Scrutiny on the use of B&B accommodation for the temporary placement of homeless persons	The report will highlight the historical trend on the use of B&B accommodation for placing homeless persons and the reasons for such use. The report will also provide information on the measures that Housing Services have taken to reduce such use and provide an update on the current position	Argoed Residents Group Malcolm Topping Supporting People
Housing Complaints & Representations (P2)	To provide members of Scrutiny with information on all representations and complaints received by Housing Services during the 201/16 financial year	Key issues include:- Identification of the numbers and types of representations and complaints received for the year. Comparison of data with previous years Analysis of the data to identify the areas of service that receive the highest level of representations and complaints. Highlighting any lessons learned from analysing the data.	

Policy & Resources Scrutiny Committee Forward Work Programme
APPENDIX 1

Meeting Date: 17 January 2017			
Subject	Purpose	Key Issues	Witnesses
HRA Charging Report (P1)	To advise members of Scrutiny of proposed forthcoming charges for 2017/18 and in particular any increased charges relating to the Housing Revenue Account prior to seeking Cabinet approval.	Charges that will be incorporated within the report will include:- <ul style="list-style-type: none"> • Council house rents • Garage rents • Service charges relating to Sheltered Housing Schemes 	
Whole Authority Budget Monitoring Report 2016/17	To inform Members of projected whole-authority revenue budget expenditure for the 2016/17 financial year.	The report will provide information on the position of the whole-authority in respect of revenue budget monitoring for 2016/17. Detailed reports will already have been presented to Scrutiny Committees throughout the financial year. Consideration will be given to actual expenditure and income to date. A projection will be made of the likely outturn (year-end) position and where significant variations against budget are identified these will be commented upon.	Interim Head of Corporate Finance – Stephen Harris
HRA Budget Monitoring Report (P2)	To provide Scrutiny members with an update on expenditure of the Housing Revenue Account budget for the first six months of the year	Key issues include:- <ul style="list-style-type: none"> • Identifying the overall budget available for the delivering the Housing Service • Highlight any budget variations including projected overspends and underspends • Provide an indication of the revenue contribution to the Capital Programme 	

Meeting Date: 28 February 2017			
Subject	Purpose	Key Issues	Witnesses
WHQS Programme Re-profiling and associated Capital Programme (P1)	To review progress with the implementation of the WHQS Programme, re-profile over the remaining years where necessary, and set out a capital programme budget for 2017/18.	To consider the implications of slippage within the internal and external works programmes, establish if works need to be re-phased. Examine the implications on the community sequence and potential overlaps between internal and external works. Review the resourcing issues given the commitment to deliver the WHQS Programme by 2020.	
Housing Service Charges (P2)	To present to Scrutiny proposals for the de-pooling of service charges in sheltered housing schemes and the introduction of service charging for provision of new services for general needs tenants	Key issues include: <ul style="list-style-type: none"> • Limitations on the Council's ability to introduce service charges arising from the current tenancy agreement. • The implications of the Housing (Wales) Act 2014 as it relates to service charging of tenants of sheltered housing schemes. • Potential financial impact of de-pooling on tenants of sheltered schemes and associated implications for future viability of a number of schemes. 	

Policy & Resources Scrutiny Committee Forward Work Programme
APPENDIX 1

Meeting Date: 11 April 2017			
Subject	Purpose	Key Issues	Witnesses

Policy & Resources Scrutiny Committee Forward Work Programme
APPENDIX 1

Meeting Date: to be confirmed			
Subject	Purpose	Key Issues	Witnesses
Care & Repair Merger (P2)	This is an information report to provide members with details of the merger of the Care and Repair Service between Caerphilly and Blaenau Gwent	To advise members on the new arrangements as a result of the merger	
Leaseholder Consultation Report (P3)	To provide a further report on leaseholder charges as requested by Scrutiny members	Key Issues will include -Value for Money/Procurement -Responsibility for charges relating to damage -Good practice including information from other landlords and Welsh Government -Leaseholder representation	
HR Policies and Welsh Language Standards 99-119 *NEW*	A number of HR related standards require internal HR policies to reflect the legal right of staff to be able to have internal discussions and paperwork relating to their employment available in Welsh. This report should be seen by Scrutiny, prior to Cabinet and Full Council. There will need to be a change to a number of HR policies. It is envisaged that a single report may cover all changes.	A generic overarching approach will be adopted to revise all affected HR policies in the same way. The report will cover how this approach will allow the authority to meet its legal requirements in complying with the Welsh Language Standards. The affected policies and the cross matching to each relevant standard will be explained in the report	Senior Policy Officer (Equalities and Welsh Language) Head of Human Resources This report will be drafted as a Corporate Services report since it relates to HR issues
Caerphilly Local Assessment of Well-being. 1 st draft assessment 2 nd draft assessment (possible Members Portal	CCBC Statutory Partner Role: The Caerphilly Public Service Board is required to produce a local assessment of the economic, social and cultural well-being of the	The Local Assessment of Well-being will consider the economic, social, environmental and cultural well-being of the local authority area. The structure of the assessment will follow the 7 Well-being goals for Wales. In addition it is a requirement that the assessment examines	Corporate Policy Manager Senior Policy Officer

<p>item) Final assessment for Corporate Approval</p>	<p>authority which must be subject to Corporate approval by the statutory member before it can be adopted by the Public Service Board.</p> <p>The 1st Draft assessment will be completed by October 2016 and Scrutiny should have the opportunity to consider the content prior to final consultation with the wider public and partners.</p> <p>The 2nd Draft assessment will be complete by December 2016 following consultation. The final assessment must be approved by Scrutiny, Cabinet and Council before it is formally adopted by the PSB. This should take place in January/February 2016.</p> <p>{ P & R will sit as the Partnership Scrutiny Committee over the same timescale and the assessment may form part of this work programme also}</p>	<p>the situation in 5 defined community areas as well as the authority as a whole. The PSB has determined that the 5 community areas will follow the 5 former community planning areas and hence the assessment document will consider each of these in turn as well as the future trends for the area.</p>	
---	--	---	--

This page is intentionally left blank

Cabinet Forward Programme

APPENDIX 2

13TH JULY 2016	Key Issues	Service Area
Federation of Schools Ffederasiwn Ysgolion	This report outlines proposal to agree to support, in principle, the federation of schools. The specific recommendation is to proceed with proposals in the autumn term to include Bedwas Junior/Rhydri Primary, Fleur-de-Lys Primary/Pengam Primary and Cwmfelinfach Primary/Ynysddu Primary schools.	Education
Property Services - State of the Estate Report 31st March 2016. Gwasanaethau Eiddo - Adroddiad Cyflwr yr Ystâd 31ain Mawrth 2016.	For some time now the Welsh Government (WG) has produced an annual report on the "State of the Estate" relating to property in their ownership. The report is very useful and has been widely circulated by WG. The report has prompted Property Services to prepare a similar report for the council. The main driver for that being introduced now is to reflect on the significant changes that have been made to the council's property portfolio and the way that portfolio is now managed.	Property and Asset Management
27TH JULY 2016	Key Issues	Service Area
Provisional Outturn for 2015/16 Alldro Dros Dr oar gyfer 2015/16	This report will provide Cabinet with details of the provisional revenue budget outturn for the 2015/16 financial year prior to the annual audit by the Authority's External Auditors, Grant Thornton. The report will provide an overview of the Council's financial performance and will set out the reasons for any significant variations against budget.	Corporate Finance
Reserves Strategy Strategaeth Cronfeydd wrth Gefn	Following a review of the Reserves Protocol this report will seek Cabinet endorsement of a reserves strategy setting out details of the types of reserves held by the Authority, their purpose and the processes for authorising use of the reserves.	Corporate Finance
Financial Resilience Report. Adroddiad Gwydnwch Ariannol.	Cabinet will be presented with the Wales Audit Office (WAO) financial resilience assessment report for Caerphilly CBC. The review work on which the report is based focusses on the delivery of agreed savings for the 2014/15 financial year and budget planning arrangements for 2015/16. All Local Authorities in Wales have been subject to review and individual reports have been produced by the WAO. The report being presented to Cabinet will include details of the key findings of the review, a risk assessment and proposals for improvement.	Corporate Finance
Wales Audit Office Review of the Development of a Sport and	To update Cabinet on the outcome of a recent Wales Audit Office (WAO) review of the development of a Sport & Leisure Strategy and the next steps to be taken	Corporate Services

Cabinet Forward Programme

<p>Leisure Strategy</p> <p>Adolygiad Swyddfa Archwilio Cymru o Ddatblygiad o Strategaeth Hamdden a Chwaraeon.</p>	<p>by the Council in addressing the recommendations made by the WAO.</p>	
<p>Islwyn High School - Instrument of Government</p> <p>Offeryn Llywodraethu Ysgol</p>	<p>To seek Cabinet's agreement on an Instrument of Government to establish the Governing Body for Islwyn High School which will be established from September 2016.</p>	<p>Education</p>
<p>Proposed New Fee Structure for Additional Services.</p> <p>Strwythur Ffioedd Newydd Arfaethedig ar gyfer Gwasanaethau Ychwanegol.</p>	<p>The report outlines a number of service areas where there are either new services to be offered that require fees to be set or where fee increases have not been implemented for a number of years such that the fee structure is no longer sustainable and/or is not recovering the full cost of the service. The report therefore seeks cabinet approval to introduce certain new fees and to increase or change the fee structure of others.</p>	<p>Community and Leisure Services</p>
<p>HR Strategy</p> <p>Dogfen Strategaeth AD</p>	<p>To consider the HR Strategy 2016-2020</p>	<p>Human Resources and Organisational Development</p>
<p>Housing Repair Operations Annual Performance Update</p> <p>Diweddariad Perfformiad Blynyddol Gweithrediadau Atgyweirio Tai.</p>	<p>Update on the Annual Performance of the Housing Response Repair Service undertaken by the Housing Repairs Operations Team.</p>	<p>Housing</p>
<p>Charitable Status of Blackwood Miners' Institute</p>	<p>To advise Members of the statutory requirements relating to the charitable status of Blackwood Miners' Institute. To seek approval to implement new measures to ensure compliancy with charity law in relation to the submission of the accounts and consider the ongoing management of the Blackwood Miners' Institute.</p>	<p>Economic Development and Tourism</p>

Cabinet Forward Programme

7TH SEPTEMBER 2016	Key Issues	Service Area
Land at Upper Cefn Road, Deri Tir ar Heol Cefn Uchaf, Deri	To seek approval to dispose of Land at Upper Cefn Road, Deri.	Property and Asset Management
Land at Lewis Street, Aberbargoed Tir ar Stryd Lewis, Aberbargod	To seek approval to dispose of land at Lewis Street, Aberbargoed	Property and Asset Management
21ST SEPTEMBER 2016	Key Issues	Service Area
Gwyndy Development – Sport Wales Grant Offer	To seek approval to a £50,000 grant offer from Sport Wales towards the provision of a 3G pitch and to consider making the money available to Ysgol Gyfun Cwm Rhymni to further develop leisure and sporting provision on the site.	Education
Fochriw Community Centre – Youth Service Provision	To consider a proposal to undertake adaptations to the community centre to enhance Youth Service provision on site. Report to consider utilising the £126,000 set aside in the 2013/14 Education capital programme to develop the centre by providing a building extension.	Education
5TH OCTOBER 2016	Key Issues	Service Area
Highway Maintenance Plan Cynllun Cynnal a Chadw'r Priffyrdd.	To seek endorsement of the Council's approach to maintaining its highway network	Engineering Services
19TH OCTOBER 2016	Key Issues	Service Area
Winter Service Plan Endorsement. Cymeradwyaeth Cynllun	To seek endorsement of the council's annual approach to Winter Maintenance.	Engineering Service

Cabinet Forward Programme

Gwasanaeth y Gaeaf		
---------------------------	--	--

2ND NOVEMBER 2016	Key Issues	Service Area

16TH NOVEMBER 2016	Key Issues	Service Area
Highway Asset Management Plan Cynllun Cynnal a Chadw'r Priffyrdd.	To update on the current All Wales approach to Asset Management and seek endorsement for CCBC's development of its Highways Asset Management Plan	Engineering Services
Treasury Management –Review of MRP Policy Rheolaeth Y Trysorlys – Adolygiad o'r Polisi Isafswm y Ddarpariaeth Refeniw	This report will set out options for revising the Minimum Revenue Provision (MRP) Policy to identify potential savings to support the Medium Term Financial Plan (MTFP).	Corporate Finance
Mid-Year Budget Monitoring (Whole Authority) Monitro Cabol Blwyddyn Cyllideb 2015/16	This report will provide details of projected whole-Authority revenue expenditure for 2016/17 along with details of any significant issues arising. The report will also update Cabinet on progress in delivering approved savings for the 2016/17 financial year.	Corporate Finance



POLICY AND RESOURCES SCRUTINY COMMITTEE – 12TH JULY 2016

SUBJECT: HR STRATEGY DOCUMENT

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

1. PURPOSE OF REPORT

1.1 The purpose of the report is to seek views from Policy and Resources Scrutiny Committee regarding the draft HR Strategy 2016 – 20, prior to presentation at Cabinet for agreement.

2. SUMMARY

2.1 The Council has an outstanding proposal for improvement from Wales Audit Office (WAO) that we 'should prioritise the development of an HR strategy and workforce plan. These should form key elements of the Council's strategic planning framework.' The agreement of the HR Strategy document will assist to address this proposal.

3. LINKS TO STRATEGY

3.1 The HR Strategy 2016 – 20 links to the Council's Corporate Plan 2013 - 2017, the Medium Term Financial Plan, and the Single Integrated Plan 2013 - 2017.

4. THE REPORT

4.1 Following a review of the Council's HR arrangements in 2012, WAO raised the need for the improvements in strategic HR and workforce planning. The WAO Special Inspection report published in January 2014, concluded that 'the Council has been slow to implement actions to improve the HR function and to develop its workforce planning arrangements'. WAO subsequently made the statutory recommendation that the Council 'ensures that the actions identified to improve the HR function and workforce planning are implemented'.

4.2 The WAO follow-up of the Special Inspection report of January 2015 concluded that the Council 'is not yet realising the benefits of the strategic aspects of human resources and workforce planning although significant progress has been made in developing human-resources-related policies to facilitate the implementation of the Council's medium-term financial plan'.

4.3 Policy and Resources Scrutiny Committee are now asked for views regarding the HR Strategy 2016 – 20, prior to presentation at Cabinet for agreement.

4.4 This will be the first HR Strategy for Caerphilly CBC. It is recognised that the Authority is facing a number of challenges and perhaps changes moving forward that could impact on the HR Strategy. Hence it is recommended that this strategy is reviewed 12 months after implementation and updated if considered necessary.

5. EQUALITIES IMPLICATIONS

- 5.1 Equalities and Welsh language issues form a fundamental part of HR policies in line with the Council's Strategic Equality Plan, in order to comply with the statutory duties and regulations covering these areas. The HR Strategy will be implemented alongside the HR aspects of the Council's Strategic Equality Objectives, specifically SEO 6 (Compliance with the Welsh Language Standards), SEO 10 (Diversity in the Workplace) and SEO 11 (Corporate Compliance).

6. FINANCIAL IMPLICATIONS

- 6.1 There are no financial implications within this report.

7. PERSONNEL IMPLICATIONS

- 7.1 The personnel implications are included in the report.

8. CONSULTATIONS

- 8.1 There are no consultations that have not been included in the report.

9. RECOMMENDATIONS

- 9.1 Policy and Resources Scrutiny Committee are asked for views regarding the HR Strategy 2016 – 20, prior to presentation at Cabinet for agreement.
- 9.2 Policy and Resources Scrutiny Committee endorse the proposal to review this strategy 12 months after implementation, to ensure that it is current and 'fit for purpose'.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 The recommendation is made to allow the Council to progress the outstanding proposal for improvement from WAO to prioritise the development of an HR strategy.

11. STATUTORY POWER

- 11.1 Local Government Acts 1972 and 2000.

Author: Lynne Donovan, Acting Head of Human Resources and Organisational Development

Consultees: Corporate Management Team
HR Management Team
HR Strategy Group
David Thomas, Senior Policy Officer (Equalities and Welsh Language)
Gary Enright, Branch Secretary, Unison
Neil Funnell, Branch Secretary, GMB

Appendices:
Appendix 1 Caerphilly County Borough Council Draft HR Strategy 2016 - 2020

**CAERPHILLY COUNTY BOROUGH COUNCIL
DRAFT HR STRATEGY
2016 - 2020**

CONTENTS

	Page
Foreword	3
1. EXECUTIVE SUMMARY	5
2. OVERVIEW	6
3. OBJECTIVES AND GOALS	7
3.1 What is the Council Seeking to Achieve	7
3.2 HR Objectives and Goals	10
4. HOW WILL WE REALISE OUR HR OBJECTIVES AND GOALS	11
4.1 Right People	11
4.2 Right Skills	15
4.3 Right Place	16
4.4 Right Time	18
4.5 Employee Engagement and Communication	20
5.0 HR GOVERNANCE	21
5.1 Role of the HR Strategy Group	21
5.2 Governance Structure	21
6.0 NEXT STEPS	23
6.1 Actions	23
6.2 Measuring Performance and Achievement	23
6.3 Reporting Framework	23

FOREWORD

Caerphilly County Borough Council provides services to over 170,000 residents; to around 2,000 local businesses; and to visitors to the area. The quality of those services is entirely dependent on the people we employ, who provide those services in a widely differing range of settings.

As the Leader of the Council, Cllr. Keith Reynolds, put it in his Annual Report to Council in May 2016:

A report such as this can never adequately reflect the work of over 9,000 staff operating across 600 different service areas. But it is their work which makes all the difference – the unsung work of catering staff in the school meals service; of environmental officers who inspect food premises; of refuse collectors or highways staff; of those who work in residential care or who help people in their own homes; of the staff in the Contact Centres and the Customer Service Centres; of support staff in back office functions who support the front line services. And the many thousands like them. I would like to record my sincere gratitude to all of them for their hard work and perseverance, often in very difficult situations.

This HR Strategy sets out the framework of how we intend to support our workforce in delivering, maintaining and improving services. We need to make sure that we have the right jobs in place; that we have the right people in those jobs, with the necessary skills; and that we help those people continue to develop their skills.

This is a major challenge in an organisation of the size and complexity of ours. Each of our several hundred service areas have their own particular needs in terms of workforce planning for the future but, at the same time, we are one employer and we must ensure a consistent approach in the way we treat our workforce.

This is also a time of great change for local government. More and more, local authorities are expected to work in partnership and to collaborate with neighbouring authorities, other statutory organisations and the local community. The financial challenge over the next few years will also require us to look hard at what services we provide, and how we provide them. As funding reduces, local authorities are being forced to reduce the size of their workforce and to focus on their priorities in allocating resources. A strong set of HR policies and an HR service which supports managers and supports staff in coping with these changes will be crucial.

Over the next year we will be seeking to communicate with and engage our workforce. Through a staff survey, and a range of other engagement techniques, we will be seeking their views as to how we can better help and support them to perform their roles. No-one understands better the challenges and difficulties of providing our services than those at the “front-line” who deliver those services. We will need their input and their knowledge to help us improve.

We will also be engaging managers to look at how we can support them more effectively to cope with and plan for the challenges that lie ahead. And, we will be revising the training and other support provided for managers to ensure that we have the ability to respond to the new challenges that lie ahead.

This strategy also includes some new ways of measuring our effectiveness in the way we manage and support our workforce. In some cases – such as levels of sickness absence – data is readily available and relatively easy to monitor. In other areas, measuring effectiveness and success is not so easy. Over the coming year we will be reviewing these measures to ensure they are the right ones, and that they are working as we intend.

I am grateful to those on the HR Strategy Group who have worked to prepare this new HR Strategy. As a council, we have great ambition for the future. Delivering that ambition depends on having a skilled and committed workforce who have the right support to help them perform their roles. This HR Strategy, and the work we have planned for the coming year will, I am sure, help us meet that challenge.

CHRIS BURNS
INTERIM CHIEF EXECUTIVE

1. EXECUTIVE SUMMARY

Our workforce is the most valuable asset that we have. We have almost 9,000 employees (including schools) who are at the heart of everything that we do as a Council and of the services we provide. Our total gross expenditure is in excess of £562 million from which we spend 41% on our workforce, including Schools and Housing Revenue Account (HRA) and 21% excluding Schools and HRA.

An engaged and effective workforce will help the Council to realise its priorities for the County Borough. Having the right people, with the right skills, in the right place at the right time is critical for us to achieve our objectives. This however, has to be considered in conjunction with the Council's Medium Term Financial Plan, which undoubtedly will mean services being delivered in different ways to how they have traditionally been, as the report to Council on 25 February 2015, confirmed the estimated savings requirement for the Council as £39m over three years. However, changes in Welsh Government budget allocations have now meant that savings are estimated as £36m over five years with effect from 2016. This will be a challenge for Managers, employees and Members.

The prospect of a Local Government Reorganisation also cannot be ignored as we undertake our day to day business. Whilst like all other Councils we would look at more collaborative working arrangements at a time when our budgets are being cut, the uncertainty of the boundaries of any Reorganisation intending to reduce the number of Councils in Wales, is not helpful.

Our HR Strategy will help us to achieve this by setting out what we need to do and how we will measure success. We need to consider the fundamental areas of HR such as Recruitment and Selection, Absence Management, Equality and Diversity and building on these activities with management development, performance development, workforce flexibilities to allow us to continue to deliver excellent services to our residents whilst reducing our workforce.

Our employees clearly need to understand what we need them to do and why what they do is important. As an employer, we need to understand the views and concerns of our workforce and most importantly how our workforce can help us to contribute to our future challenges and help to shape our services.

The implementation of the Council's HR Strategy will illustrate the contribution every employee can make towards the achievement of the Council's vision.

2. OVERVIEW

“Working together for the good of all”

In order to deliver this, we need to engage effectively with our employees and encourage them to generate ideas as to how we can improve our services, in the knowledge that we have to reduce our workforce and change how we do things. We need to continue to support the professional development of all our employees and support them with opportunities outside their own service areas, in order to protect employment.

We currently employ almost 9,000 people, which includes 3,600 within Schools. In the past 3 years, our headcount has reduced by 5% and this reduction will not only continue but increase considerably in the next 3 years. In October 2014, the Council introduced workforce flexibilities policies to assist the challenges to be faced by the Medium Term Financial Plan. The Council's Redeployment Scheme is well embedded in the Organisation and supports our commitment to prevent redundancies wherever possible and to help meet the financial objectives. However, it is recognised that in the coming years there will inevitably be occasions where it is not possible to avoid a redundancy situation, because of the financial situation the Council faces.

HR will continue to support Managers to maximise the potential of the Council's most valuable asset, our employees, to deliver quality services to the residents of the County Borough efficiently, effectively and with pride.

3. OBJECTIVES AND GOALS

3.1 What is the Council Seeking to Achieve

The Well-Being of Future Generations (Wales) Act 2015 came into force on the 1st April 2016 and placed a number of legal duties on public bodies in Wales to meet the legally binding 'common purpose' for 7 statutory well-being goals:

- A sustainable Wales
- A prosperous Wales
- A healthier Wales
- A more equal Wales
- A Wales of cohesive communities
- A Wales of vibrant culture and thriving Welsh language
- A globally responsible Wales

The Council must have a workforce with the right skills and support in order to achieve the cultural change envisaged by the Act. We are working to ensure that staff are aware of the well-being goals, the ways of working and the well-being duty so that it becomes part of how they deliver their work. We are doing this through briefings, intranet resources, and by embedding the well-being goals and five ways of working in our planning, decision making, policies and procedures. Welsh Government have proposed a number of engagement and communication processes, through a public bodies communication sub-group, that will support this work.

The Councils Corporate Plan 2013 – 17 sets out the high-level priorities for 2013 - 17. It highlights how our priorities contribute towards achieving our partnership goals within the long term plan entitled *Caerphilly Delivers*. The Council has set 8 specific priorities for the 3 years or more starting from 2014-15 and we will review them on a yearly basis to be sure they are still relevant.

The Plan is the long term vision for Caerphilly County Borough Council for sustainable communities supported by actions that enhance the quality of life for all.

A link to the Corporate Plan 2013 – 17 is attached below:

http://www.caerphilly.gov.uk/CaerphillyDocs/Council-and-democracy/corporate_plan_2013_17.aspx

Council Priorities

Social Services

1. Peoples social care needs are identified and met in a timely and appropriate way
2. Children and Adults are safeguarded from abuse

Corporate parenting is the legal and moral duty that Councillors and the Council have for looked after children, to provide them with the level of support, care and protection that any good parent would give to their child. We also have a duty of care to provide all adults in the social care system, with an acceptable level of service in a timely and appropriate manner.

HR will support the first part of this priority by ensuring that officers and managers within Social Services can adapt and be flexible in response to the challenges faced within the Medium Term Financial plan in still being able to ensure that there are the right professionals within social care with the right skills to ensure that this statutory duty is met.

HR will support the second part of this priority by working in partnership with Managers / designated professionals in promoting the Council's Corporate Safeguarding Policy; ensuring safe recruitment procedures are in place, that comply with legislation, the requirements of Regulatory Bodies and good practice; promoting the Council's Whistleblowing Procedure and Code of Conduct; supporting Managers / Head Teachers to comply with the requirements set out in the policies and procedures regarding the safety and welfare of children and adults.

Education

3. Improve standards across all year groups particularly key stage 3 and 4
4. Identify vulnerable groups of learners and develop interventions to ensure needs are met
5. Reduce the gap in attainment between pupils in advantaged and disadvantaged communities

Education has the ability to empower people to make better life choices, be ambitious and confident about work, and contribute substantially to breaking the cycle of deprivation. Whilst there have been improvements and an upward trend, improving standards remains a priority.

HR will support this priority by working with designated professionals to develop and recommend to Schools policies that are fit for purpose, ensuring that when implemented, Schools have policies in place that support safe recruitment and ensure employees are fit to practice; that provide effective performance management of staff in accordance with Welsh Government guidance; support Head Teachers and Governing bodies to address unsatisfactory performance of staff with robust policies and clear advice.

HR will also support the Cabinet Member, Chief Education Officer and the Education Achievement Service with their challenge role in improving School performance, which often relies upon having the right professionals to drive up standards.

Environment

6. Promote the benefits of an active and healthy lifestyle

Lifestyles of our local population (alcohol consumption, smoking, physical activity and diet) are generally unhealthy with 62% of our adult population overweight and above the Welsh average of 57%.

HR will support this priority with the recognition that many of the residents of the County Borough are our employees and their families. We will continue to support the improvement of health and wellbeing via the HR Strategy Group via various health and wellbeing events. Occupational Health support is available to employees and a confidential independent employee assistant programme, 'Care First' is available to employees and their families 365 days a year. The continued development of family friendly policies also supports improved health and wellbeing of employees and their families.

HR will also look to collaborate with other service areas such as sustainability or leisure in ensuring that any initiatives that the Council promotes for residents are shared and promoted with employees.

7. Invest in our Council Homes and their communities to transform lives.

HR will support this priority by working with the Housing and WHQS Management Teams to ensure they have a workforce that is fit for purpose via safe Recruitment Procedures; effective performance development processes; relevant staff guidance, including Code of Conduct and Whistleblowing Procedure. We will continue to support training and development programmes, work based development opportunities, and coaching and mentoring to improve the learning and development of our employees.

HR will also help the Cabinet Member and Officers who are part of the WHQS Board when considering appropriate staffing resources to meet this challenging programme which has strict time targets.

Corporate Services

8. Affordability – Deliver a Medium Term Financial Plan aimed at ultimately providing a period of stability that helps the Authority to have a range of services in the future that are sustainable.

Recognising that the Council's Corporate Services, in particular Finance, Performance, IT, Procurement, Legal, and HR itself, contribute to all of the Council's frontline services and objectives, HR will support managers to effectively use the range of workforce planning tools introduced in October 2014, to assist with managing the challenges of the Medium Term Financial Plan, which involves savings in these areas so that frontline services are protected. In accordance with Council's determination. We will always try to achieve any reductions required in staffing numbers via natural wastage, not filling vacancies and redeployment. However, because of the estimated numbers required to achieve the Medium Term Financial Plan, it is highly unlikely that savings will be achieved via this approach. We would always wish to avoid a situation of compulsory redundancy, whenever possible.

The Council's priorities contribute to the **Single Integrated Plan 2013 – 17, 'Caerphilly Delivers'**. Working with our partners in the Aneurin Bevan Health Board, Gwent Police, Gwent Association of Voluntary Organisations, and Welsh Government, the Caerphilly Local Service Board aims to improve the quality of life for our communities. We have a proven track record of effective partnership working developed over many years and are building on this in our plan. Our plan reflects the Welsh Government's strategic approach to developing our communities and is a challenge to the public, voluntary and private sector to work together with our communities, and sets out what working together will achieve.

A link to Caerphilly Delivers, The Single Integrated Plan 2013 - 2017 is attached below:

http://your.caerphilly.gov.uk/communityplanning/sites/your.caerphilly.gov.uk/communityplanning/files/pdfs/caerphilly_delivers_cover.pdf

3.2 HR Objectives and Goals

What does the HR service aim to achieve?

HR will support Managers to achieve an efficient and effective organisation in order to deliver quality services to the residents of the County Borough, in accordance with the Corporate Plan and within the confines of the Medium Term Financial Plan.

HR will support Managers to review service provision to reduce costs and to drive improvement and cultural change across the organisation. HR will assist managers to engage effectively with the Trade Unions to achieve this.

HR will also support Managers to develop a workforce plan that sets out how they can achieve the right number of employees, who are trained and equipped to deliver the high quality services we need, within the confines of the Medium Term Financial Plan.

Although recognising that the transactional activities, such as payroll are an important part of the HR function, HR will focus on the strategic support that is needed to enable the Council to meet the challenges of change. HR will look for innovative solutions to enable Members, Managers and Officers.

4. HOW WILL WE REALISE OUR HR OBJECTIVES AND GOALS

HR will ensure that there are policies and procedures available to support managers to achieve the overall objectives of the Council by having the right people with the right skills in the right place at the right time, whilst addressing the requirements of the Council's Medium Term Financial Plan. The Trade Unions will be a key partner in this process.

4.1 Right People

The review of services within the context of the Medium Term Financial Plan will not only lead to revised structures, but also to alternative ways of working e.g. collaborations, trusts, mergers. Any different service delivery model will not only have to be efficient and effective, but will also have an increased scrutiny with regards to value for money.

The workforce flexibilities policies will provide opportunities for some employees, but the Council will undoubtedly be faced with a compulsory redundancy situation in the coming years. Managers therefore will need to rely on robust policies to support them to downsize their services.

The HR team will support and advise managers on restructuring and alternative service delivery models and work with them to ensure that they adhere to the appropriate policies, procedures, legislation and Regulations and that support is provided to employees. HR will engage with the Trade Unions and ensure that they are offered opportunities to actively engage in such situations.

Improvement Activities:

- Work closely with Directors, Heads of Service and Head Teachers to support them to meet their financial savings within the timescales set.
- Review effectiveness of the workforce flexibilities policies.

Key Performance Indicators:

- Review of user satisfaction survey and include in Self Evaluation
- Monitor statistics in relation to the workforce flexibilities policies.

Recruitment

We are committed to ensuring that the Council continues to have effective and safe Recruitment and Selection processes and practices that supports managers to employ high quality, fit for purpose workers.

Improvement Activities:

- Monitor recruitment information and statistics
- Review the Council's Recruitment and Selection Procedure
- Ensure managers are suitably trained to undertake effective recruitment activity.
- Develop with managers internal recruitment exercises to meet specific service

requirements.

- Provide accessible informative analysis on employment information.

Key Performance Indicators:

- Employee turnover statistics within the first year of employment
- Employee turnover statistics post first year of employment
- Employee leaver reasons analysis
- Attendance levels at Recruitment and Selection training
- % DBS checked not cleared by expiry date

Redeployment

HR will seek to support the redeployment of employees wherever possible. Whenever an employee is in a potential redundancy situation, we will, in conjunction with their Manager, look to support them to transfer their careers into other directions where possible and utilise the valuable skills and experience they have gained during their employment with the Council.

To date we have been very successful in securing alternative employment for those at risk across the Council, but this will become increasingly challenging with the numbers of staff facing redeployment increasing as service areas strive to achieve the savings identified within the Medium Term Financial Plan. The redeployment pool will continue to be managed and supported by HR to maximise the opportunities for employees to remain in the employment of the Council.

Improvement Activities:

- Monitor the Council's vacancy management process
- Encourage Managers to consider more generic competencies for posts where possible to support redeployment opportunities.

Key Performance Indicators:

- Redeployment statistics
- Vacancy management statistics

Employees Leaving the Council:

Inevitably, as a result of the financial challenges facing the Council there will be a need to reduce the workforce. All Managers have had to reduce their budgets by at least 20%, some more, depending on decisions made by members in terms of service delivery. We are committed to preventing compulsory redundancies wherever possible and will explore all other options before resorting to this. However, it is impossible to achieve savings of £36m over five years, with effect from 2016, without reductions in the workforce. The Council will always try to achieve this via natural wastage and not filling vacancies and has,

amongst other things, introduced workforce flexibilities policies as options to avoid compulsory redundancy.

There is a significant challenge in maintaining employee engagement and motivation during this period of change.

Improvement Activities:

- Work with managers and Trade Unions on service redesign arrangements and thorough consultation processes.
- Provide more information for employees who are thinking of leaving the employment of the Council
- Support the work of the Staff Engagement Team to retain motivation and morale within the Council

Key Performance Indicators:

- Workforce Flexibilities policies statistics

Equality and Diversity

Achieving diversity in our workforce is important to us. This is not just about complying with the law but it is about recognising and valuing differences, treating everyone fairly and ensuring equality of outcome.

We will work closely with our Equalities and Welsh Language Officers and management teams to ensure that our employment framework fulfils our duties and obligations under the Equality Act 2010.

We have a responsibility to maintain the integrity of our pay and grading structure and meet the commitments made in our Single Status agreement. We are also committed to ensuring that our employment policies and arrangements are reviewed regularly to ensure that they are compliant with legislative requirements, meet the needs of Regulatory bodies, support the organisation and are implemented effectively.

Improvement Activities:

- Work with and actively support the Equalities officers to raise awareness and understanding of our obligations and inclusion in Council business and promote equalities training opportunities.
- Monitor employment equalities statistics.
- HR systems capture the required equalities data in line with best practice.
- Review employment policies as appropriate.

Key Performance Indicators:

- Equalities employment statistics

- Robust employment policies that are reflective of best practice

4.2 Right Skills

Performance Management and Development

To support the organisation to deliver its identified priorities, it is essential that the performance of each individual and team member is as good as it can be. To achieve this aim we need to ensure that employees and managers see the link between personal performance and objectives, service area performance and objectives and Corporate performance and objectives.

We need to ensure that line managers are confident in undertaking people management responsibilities to improve performance, support their teams and demonstrate strong management skills. HR will support managers by the provision of comprehensive guidance, robust policies and procedures and effective learning and development opportunities.

A revised approach to management development is needed to support the organisation to address the many complexities it will face in reviewing service provision to address the requirements of the Medium Term Financial Plan.

The Induction processes needs to be reviewed and e-learning opportunities explored to maximise the access to learning and development for employees where appropriate.

Improvement Activities:

- Provide further guidance to managers in relation to performance development reviews
- Review the use of coaching and mentoring within the organisation.
- Introduce a management development programme
- Develop regional collaborative opportunities where appropriate.

Key Performance Indicators:

- Employee satisfaction with training.
- % of PDRs conducted in the Council per year.

4.3 Right Place

Workforce Planning

Effective workforce planning is essential to meet organisational objectives and inform organisational design. In order to deliver services, within budget, the Council needs to have a workforce which is fit for purpose.

HR has developed a workforce planning template, which is now included in the annual Service Development Plans. Where Heads of Service identify significant workforce planning challenges, the template will support managers to deal with these. The template can be used in restructuring scenarios across the Council to help identify what is required to deliver a different or reduced service as dictated by the Medium Term Financial Plan. There is a 'Workforce Assessment' section in the Self Evaluation and Heads of Service have the opportunity to include any workforce matters that they feel are appropriate to their service and this includes workforce planning.

The workforce plan is a means to assist Managers to identify areas of efficiencies and to compare the current competencies, skills and other workforce features with future needs. It is also essential that we monitor our employment costs to ensure that we support the organisation to meet its ever increasing financial challenges.

Improvement Activities:

- Report to Corporate Management Team on the outcome and learning of the workforce planning
- Assist Managers to develop workforce plans to support the Medium Term Financial Plan.
- Support Senior Managers to continually review structures
- Monitor the Council's redeployment practices within the context of the Medium Term Financial Plan
- Provide service area workforce data to Heads of Service on a quarterly basis.

Key Performance Indicators:

- Employment statistics
- Robust employment policies that are reflective of best practice and comply with relevant legislation.

Flexible Working Arrangements:

The Council has flexible working policies that will assist Managers to address the requirement for future efficiencies and working arrangements that will balance both the needs of the organisation and our employees.

We are committed to reviewing these policies if appropriate to provide the Council with increased flexibility and productivity at a reduced cost.

Improvement Activity:

- Review the current range of flexible working arrangements available to support the delivery of the Medium Term Financial Plan if appropriate.

Key Performance Indicator:

- Number of employees accessing flexible working arrangements

4.4 Right Time

Employee Health & Wellbeing

We recognise the importance of the health, safety and well being of all our employees. Our attendance management policy provides a framework to support our employees' attendance, and also to provide assistance to employees with health problems at an early stage.

We are committed to maintaining and where possible improving our employees' health and well being, which is demonstrated by the comprehensive professional services we have available, such as our confidential employee assistance programme and Occupational Health service. We work with Managers and Trade Unions to comply with the requirements to make reasonable adjustments to support employees to remain in employment. We will seek to continue to run health and wellbeing events and support employees to take responsibility for their own health and wellbeing via the HR Strategy Group.

Improvement Activities:

- Develop and deliver health improvement campaigns across the organisation and raise awareness of employee support facilities.
- Provide targeted on-site health support via the Council's Occupational Health service and Employee Health and Wellbeing projects.

Key Performance Indicators:

- Increase the number of wellbeing events on an annual basis
- 100% of attendees at corporate wellbeing events are satisfied or very satisfied with the event.

Attendance Management

Our reputation and success depends on the services our employees deliver. As a result, we expect a high level of attendance in order to deliver an efficient and effective service to all our residents and service users.

Managing attendance continues to be a key priority for the Council and improving attendance will have a positive impact on the delivery of all Council services. The average number of days lost to sickness absence is also a Statutory Performance Indicator.

Improvement Activities:

- Review attendance targets
- Review of attendance management policies
- Recognise and acknowledge good employee attendance.
- Further training for Managers

- In conjunction with relevant Managers and other professionals, implement attendance management action plans.
- Work with Managers to ensure sickness absence data recording is accurate and robust.
- Benchmark performance against other Councils.

Key Performance Indicator:

- Sickness absence statistics reported on a quarterly basis to Corporate Management Team with an analysis
- Monthly sickness absence reports to Managers
- Annual sickness absence reporting to the Local Government Data Unit.

4.5 Employee Engagement and Communication

We want our employees to feel proud to work for the Council and to provide essential services to the residents of the County Borough.

We recognise that there is a close link between levels of employee motivation and organisational performance. We are committed to engaging with our employees to inform them how we plan to face the challenges of the Medium Term Financial Plan as an organisation, how we intend to support them and to seek their views to improve service delivery with a decreasing budget.

We need managers who make employees feel valued and provide them with opportunities to get involved.

We are committed to providing regular and effective employee messages to improve communication and seek employee feedback about their employment experience, through a range of engagement opportunities, including regular dialogue with our Trade Union colleagues.

Improvement Activities:

- Establish a Staff Engagement Group
- Develop an Engagement Strategy
- Implement Manager and employee engagement and communications activities in a planned way.
- The Staff Engagement Group to provide regular updates at Management Network of the Engagement Strategy and seek feedback
- Continue working with the Trade Unions via already established Joint Consultative Committee meetings, both Corporate and within Directorates

Key Performance Indicators:

- Improved engagement statistics
- Improved use of Social Media as a vehicle to engage employees

5.0 HR GOVERNANCE

5.1 Role of the HR Strategy Group

Aim:

To consider the strategic aims of the Council and work collaboratively to identify and develop HR Policies and Procedures that enable Managers to achieve sustainable performance for the provision of services to the residents of Caerphilly.

Responsibilities:

To review the progress of the HR Strategy and ensure that service delivery supports the needs of the business via the following:

- To act as a consultation mechanism with Heads of Service and Management Network on HR issues including policies and procedures
- To act as an additional strand of review and scrutiny of HR activity to ensure that HR plans and proposals consider the operational challenges of Directorate teams
- Improve operational engagement
- Improve communications between HR and the Directorates it supports
- Provide feedback and support the evaluation of HR related activities
- Raise generic HR issues which impact the wider organisation
- Review the development of the HR and Payroll system, iTrent.

The group is an information-sharing and consultation forum along similar lines to the Council's Joint Consultative Committee mechanism with the Trade Unions.

5.2 Governance Structure

Core HR Board Members

Nicole Scammell	Acting Director of Corporate Services and Section 151 Officer (Chair)
Lynne Donovan	Acting Head of HR and Organisational Development
Sian Phillips	Acting HR Service Manager, Customer Service
Richard Ballantine	HR Manager, Strategy and Development
Shaun Couzens	Chief Housing Officer
Stephen Pugh	Communications Manager
Donna Jones	Service Manager, Health, Safety and Welfare
Keri Cole	Chief Education officer
Susan Richards	Principal Finance Officer, Education
Mark S Williams	Head of Community and Leisure Services
Marcia Lewis	Principal Officer (Catering)
Jo Williams	Assistant Director of Social Services, Adult Services
David W Thomas	Service Manager, Children's Services

Cllr Christine Forehead

Cabinet Member for HR and Governance / Business
Manager

Cllr Barbara Jones

Deputy Leader and Cabinet Member for Corporate Services

Angela Abraham

Secretary to Acting Head of HR and OD (Minute Taker)

6.0 NEXT STEPS

6.1 Actions

To deliver the HR Strategy objectives an action plan needs to be developed detailing key milestones, deliverables and timescales.

6.2 Measuring Performance and Achievement

HR is committed to supporting the Council's priorities, supporting cultural change and embedding organisational values. Our objective is to work effectively with employees, Managers / Head Teachers, Elected Members and Trade Unions to ensure that the right resources are available to provide valuable services to the residents of the County Borough.

It is essential that we have effective HR policies and procedures which are fit for purpose, to support organisational goals, management decisions and we are committed to work with our partners to achieve this aim.

We need to ensure that we protect the Council's interests and reputation and will work with appropriate Officers to agree standards of good practice, ensuring these are reflected in or linked to our employment policies, the application of which will be monitored.

We will engage with the HR network in Wales to discuss shared organisational objectives, best practice, benchmark our business and understand how we can better benefit from the wealth of HR knowledge and expertise across our organisations.

6.3 Reporting Framework

It is our intention to deliver all of our stated objectives by 2020 in line with the Council's revised Medium Term Financial Plan and to report on our progress annually to the Corporate Management Team, Policy and Resources Scrutiny Committee and Cabinet.

The HR Strategy Group will monitor the progress of these objectives twice a year.

This page is intentionally left blank



POLICY AND RESOURCES SCRUTINY COMMITTEE – 12TH JULY 2016

SUBJECT: YEAR END PERFORMANCE REPORT FOR HOUSING SERVICES

REPORT BY: CORPORATE DIRECTOR - COMMUNITIES

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide members with an update on performance of the Housing Service during 2015/16, to set out the key service objectives for 2016/17 and highlight any potential challenges that may affect delivery of these objectives.

2. SUMMARY

- 2.1 This report provides members with an overview of performance of the Housing Service by section during 2015/16.
- 2.2 The report also sets out a range of objectives to be undertaken in 2016/17 that will deliver further service improvements and identifies a number of potential challenges that may affect delivery of these objectives.
- 2.3 Overall the performance of the Housing Service for 2015/16 is considered to be good, although, it is accepted that there are areas for improvement. In addition, a number of challenges have been identified that have resulted in action plans being developed, which have been incorporated into the 2016/17 service plan. Looking forward the main challenges relate to the need to respond to and implement changing legislation, together with rising customer expectations against limited financial resources. Whilst challenging, the service is well placed to respond.

3. LINKS TO STRATEGY

- 3.1 ***The Well Being of Future Generations (Wales) Act 2015*** contains 7 well-being goals. When making decisions the act requires public bodies in Wales, including local authorities, to take into account the impact they could have on people living their lives in the future.
- 3.2 ***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.
- 3.3 ***Caerphilly Delivers (Single Integrated Plan, 2013-2017): P2: "Improve standards of housing and communities, giving appropriate access to services across the county borough."***
- 3.4 ***Anti-Poverty Strategy (CCBC)*** which sets out a range of priorities to tackle poverty in the borough.
- 3.5 ***People, Property, Places: A Housing Strategy for Caerphilly County Borough*** provides the context for the provision of housing and related services in the county borough.

4. THE REPORT

4.1 The Housing Service consists of four main sections:

1. Housing Repair Operations;
2. Private Sector Housing;
3. Public Sector Housing; and
4. Welsh Housing Quality Standard.

4.2 As per current reporting arrangements, this report provides information only on the performance of the first three sections. A separate report has been produced detailing performance of the Welsh Housing Quality Standard (WHQS) section.

4.3 As part of the council's service improvement process, each year the Housing Service undertakes a self-evaluation exercise. This exercise allows us to evaluate the performance of the service against seven pre-defined areas, aspects of the service that require improvement and any challenges facing the delivery of the service. The self-evaluation exercise informs the development of the service plan.

4.4 The following priorities were identified in the 2016/17 service plan:

1. Investment in homes to transform lives and communities (Improvement Objective 5).
2. Reduce the reliance on and cost of the use of bed and breakfast accommodation by providing a range of temporary housing solutions for people who are homeless.
3. Continue to invest in our workforce by ensuring that staff have the necessary training, support and working conditions to enable them to provide excellent services to our customers.
4. Complete an assessment of the technological requirements of the service area to improve delivery to customers.
5. Address aspects of the service where there may be a threat to income and/or customer satisfaction levels.
6. Complete a review of the existing tenancy agreement for council housing in light of the introduction Renting Homes (Wales) Act 2016.
7. Ensure the successful implementation of the common housing register IT system (Abritas), associated policies and procedures and revised staff structure.
8. Raise awareness amongst the public, including private sector tenants and landlords, on the introduction of the Rent Smart Wales scheme.

4.5 The performance of each section will be considered separately in turn in the following paragraphs:

Housing Repair Operations

4.6 The Housing Repair Operations section provides a responsive repairs and maintenance service to the council's housing stock of 10,825 properties, completing approximately 30,000 repairs per annum. It consists of 152 members of staff, including 121 multi-trade maintenance operatives, with an annual turnover of £7.8m. The section is also responsible for a further budget of £5.5m p.a. for response projects, external contractors and cyclical and statutory maintenance.

4.7 Overall, the section continues to strive towards improving the way it delivers its services. Significant cost savings have been generated through improved productivity brought about by the extension of mobile working, the multi skilling of operatives, reducing the necessity to travel, and a reduction in administration and overhead costs. Repair performance and customer satisfaction levels also improved in 2015/16 when compared with the previous year. A report on performance of the section and customer satisfaction levels is presented annually to the Caerphilly Homes Task Group.

Performance in 2015/16

4.8 Examples of achievements in 2015/16 include:

- We were finalists in the Association of Public Excellence (APSE) UK, Best Performing Authority for Building Maintenance (2015).
- Mobile working has been extended to other aspects of the service following the successful introduction of new technologies such as handheld devices to record and update information whilst in a tenant's home. Tenants are now being offered appointments for a surveyor to visit their homes to pre inspect larger type repairs.
- A reduction in the overall average time taken to complete a repair appointment by 1.43 days to 10.28 days.
- An improvement in the percentage of repairs completed within target date by 0.65% from 98.45% to 99.10%.
- An improvement in the percentage of customers rating the overall repairs service as excellent or good from 91% to 95%.
- Supported the WHQS programme by completing over 120 kitchens and bathroom replacements, 44 electrical rewires, 45 central heating upgrades, 284 IG door replacements, 33 new fences and 28 fibreglass flat roofs.

Areas for improvement:

4.9 The winter of 2015 was one of the wettest ever recorded with the workforce dealing with roof leaks, chimney leaks and cavity wall insulation removals to address problems of dampness. In order to increase resources, given that the number of extreme wet weather events is increasing, we have established a sub-contractor framework whereby external contractors can provide assistance to meet changes in demand.

Key Performance Indicators	Previous Year 2015/16		Progress / Comments
	Target	Actual	
The average end of tenancy void costs.	£3,500	£3,944.60	HRO are now completing WHQS elements on void properties. If one element is identified on the pre-inspection then all 4 are completed, i.e. kitchen, bathroom, electrical rewires central heating, hence this has significantly increased the costs.
Number of WHQS works completed by HRO by category of works.	N/a	120 compliant	This number is broken down as follows: <ul style="list-style-type: none"> • 93 bathrooms; • 98 kitchens; and • 44 rewires.
Number of backlog repairs pending at year end.	N/a	1,224	Repairs are prioritised and allocated a completion target, depending on the nature of the repair, ranging from 1-66 days. This means there will always be a backlog of pending repairs, which increases and decrease throughout the year.
Number of confirmed complaints received.	N/a	13	This number represents complaints received on the numbers of repairs completed (28,689)
Number of repairs carried out to tenants homes.	N/a	28,698	This is a slight reduction from 2014/15 figures where 30069 repairs carried out to tenants homes.
% of repairs undertaken as appointments (Qtly accum - Year to date)	95%	95.32	
Average number of working days taken to complete a planned repair	66	39.66	Defined as priority 8 = 66 days completion target.

Average number of working days taken to complete a routine repair	25	9.99	Defined as priority 3, 4 & 5 = 2, 25 & 50 days completion target.
Average number of working days taken to complete an emergency repair	1	0.98	Defined as priority 2 = 1 day completion target.
Percentage of emergency jobs completed on time (within 24 hours)	100%	100%	
Percentage of non emergency jobs not subject to call back/complaint (right first time)	98%	98.50%	
Percentage of planned repairs completed on time	90%	92.50%	
Percentage of routine repairs completed on time	95%	96.26%	
Tenant Survey: % of customers satisfied with the Repairs Services they receive	90%	100%	
Percentage of Materials Recycled	80%	85.67%	
Total Fuel Used by the DLO fleet (Yrly)	£215,000	£164,765.46	
Number of vehicles per operational employee (Yrly)	0.63	0.62	Number of vehicles = 76. Number of employees = 123.
Percentage of voids completed on time	96.50%	94.34%	The target for 2015/16 reduced slightly due to the increased workload where HRO completed 120 properties to the WHQS standard.
Refurbishment voids turnaround (average number of calendar days keys held by in-house workforce)	60	57.61	
Routine voids turnaround (average number of calendar days keys held by in-house workforce)	11.50	11.40	

Key objectives for 2016/17

4.10 The key objectives for the Housing Repair Operations section contained in the 2016/17 service plan:

- Introduce tablet devices for Housing Repair Operations surveyors to assist mobile working and improve efficiency.
- Review existing schedule of rates for in-house workforce to mirror schedule of rates developed for contractors.
- Introduce a new gas repairs and servicing contract which incorporates priority installations.
- Consider the management and delivery on statutory maintenance utilising the in-house team to achieve better value for money and improved performance.

4.11 Other priorities for 2016/17 include:

- Continue to support the WHQS team in all elements of work to ensure the programme is completed on time.

Main risks

4.12 The key risks identified for 2016/17 are:

- Service provision and customer satisfaction levels could be affected if the budget for the section was reduced to satisfy medium term financial plan or other service area priorities, particularly as there is now a requirement to maintain tenants' homes to the WHQS.
- A reduction in the budget for the section could lead to increased risk of accidents within the home and claims for disrepair/injury as the number of backlog repairs increase.

Private Sector Housing

- 4.13 The Private Sector Housing section is responsible for the provision of major and minor works of adaptation for disabled persons living in the public and private sectors, improving the condition of homes in the private sector through individual grants, area renewal schemes and regulation. The section maintains the council's housing register and is responsible for the delivery of homelessness services. It is also assisting in the delivery of the WHQS programme, by project managing external works to blocks of flats in the lower Rhymney Valley area.
- 4.14 The section consists of 59 members of staff (FTE) with a budget of £7.4m p.a. (£6m capital and £1.4m (net) revenue).
- 4.15 Analysis of performance and customer satisfaction information tells us that, despite ongoing budget pressures, overall, the section continues to provide a wide range of good quality services.

Performance in 2015/16

- 4.16 Examples of achievements in 2015/16 include:
- Homelessness has been an increasing challenge in view of changes to legislation but this year we have managed to substantially reduce the use of bed and breakfast accommodation for emergency housing by utilising a range of different options and interventions. We have also improved the type and level of temporary accommodation used by the council for homeless people by opening a new 18 person supported housing facility, which is owned by United Welsh Housing Association and managed by SOLAS.
 - Continuous improvement over the past 6 years in respect of waiting times for low cost adaptations, reducing from 54 days to 37 days.
 - A reduction in waiting times over a 5 year period for disabled facility grants under £5,000 from 328 days to 242 days.
 - Working in partnership with Cartrefi Hafod to increase access into the private rented sector via the introduction of a Social Lettings Agency. To date, 2 social lettings properties are approved and in use.
 - Secured accommodation for two families rehoused under the Syrian Resettlement Programme; one with a private landlord and one with a housing association partner.
 - Established a partnership with United Welsh Housing Association to assist in addressing the number of long-term empty properties in the borough. Work on returning properties into use will commence during 2016/17.
 - Restructured the Housing Options Team following the introduction of the Housing (Wales) Act 2014 to address the additional responsibilities it places on the council in terms of the statutory homelessness function. This includes the utilisation of grant from Welsh Government to fund additional fixed term posts.
 - Delivery of 99% of all grant aided schemes on behalf of recipients by the in-house Agency Service.
 - Continued full utilisation of social housing grant and other forms of grant funding from Welsh Government to deliver new affordable housing via our housing association partners, both for social rent and low cost homeownership.
 - Continuation of the Renewal Area programme in Senghenydd by utilizing grant funding from Welsh Government.
 - Successful relocation of our own staff from Pontllanfraith House to Tredomen Business & Technology Centre and those of Caerphilly Care and Repair to Woodfieldside.

- Undertook and submitted a Gypsy Traveller Accommodation Assessment to Welsh Government within the prescribed timescales.
- Successfully managed the introduction of Rent Smart Wales by using £12,384 grant from Welsh Government to fund awareness raising activities in the borough and provided two presentations, one targeted at council staff, who are also landlords and the other was given to the private sector landlords' forum.

Areas for improvement:

4.17 Areas that require improvement were identified as:

- Increasing the number of long-term empty properties in the private sector returned to beneficial use by direct action of the council (estimated to be over 900 properties), given that we are currently below the national average in respect of empty property activity.
- Reducing the delivery times for disabled facilities grants being that the council remains 19th out of 22 local authorities in Wales. (see stats below)
- Ensuring that we have robust policies and procedures in place in respect of the council housing register and homelessness functions.

Key Performance Indicators	Previous Year 2015/16		Progress / Comments
	Target	Actual	
Enquiry to approval times - Disabled Facilities Grants (days)	150	134	This figure relates to the average amount of time that staff take to approve a grant following receipt of the recommendation from Social Services.
Enquiry to approval times Minor Works Grants (days)	260	223	
Enquiry to approval times Public Sector Adaptations (days)	63	85.75	The reason for a below target is one officer left the department to commence employment elsewhere. This post has subsequently been replaced. Officers have also concentrated on adaptations relating to disabled facility grants.
Percentage of grant recipients who stated they were satisfied with the conduct of the builders	99%	96%	The annual performance outturn is 96%, with 1% reporting a poor conduct (3 clients) and 3% providing no response (5 clients). The Principal Housing Officer (Agency) investigates all cases where substandard performance has been identified by a client.
Percentage of grant recipients who stated they were satisfied with the length of time it took to complete the grant work (Qtly)	96%	92%	The annual performance outturn is 92%, with 6% reporting poor performance in relation to the time taken to complete the works (13 clients) and 2% providing no response (4 clients). The Principal Housing Officer (Agency) investigates all cases where substandard performance has been identified by a client.
Percentage of grant recipients who stated they were satisfied with the quality of the grant work (Qtly)	99%	96%	The annual performance outturn is 96%, with 2% reporting poor quality (3 clients) and 2% providing no response (4 clients). The Principal Housing Officer (Agency) investigates all cases where substandard performance has been identified by a client.
The average number of calendar days taken to deliver a Disabled Facilities Grant (Annual)	288	271	Last year we suffered as a result of one of the Technical Officers (representing 20% of the Team) being on long term sickness absence for some 5 months. This severely affected performance and we failed to meet our target.

			This year, albeit still without a full staff compliment, we were better resourced. We also undertook a review of our working practices to make them more efficient and it is a combination of both that has enabled us to reduce waiting times to below the target we set for the year.
The average number of days taken to deliver a LA tenant adaptation other than a DFG	175	210	The reason for a below target performance is largely due to the impact of the introduction of a new Procurement Framework for Public Sector Adaptations, which was scheduled for commencement on 1 st April 2015. Unfortunately, the introduction of the revised system was delayed until early May and this, together with officers having to familiarise themselves with the new way of working, led to schemes being held up and consequently increased waiting times at the start of the year. The situation was also exacerbated by reduced staff resources associated with long term sickness absence.
The average number of calendar days taken to deliver low cost adaptation works in private dwellings where the Disabled Facilities Grant process is not used	38	34	
The average number of calendar days taken to deliver a disabled facilities grant of less than £5k	265	242	
% of applicants suspended on the waiting list (Qtly - stand alone)	10%	8.42%	
% of New Tenants who found completing Housing Application Form easy - Tenant Survey (Qtly - accum)	85%	88.95%	
% of Tenants satisfied with the Housing Allocations and Letting Service (Qtly - accum)	90%	91.06%	
The number of new affordable housing units provided during the year as a percentage of all new housing units provided during the year	45%	47.36%	2014/15 data. 2015/16 data is not prepared until July 2016. 162 out 342 properties were affordable.
Percentage of the houses in multiple occupation known to the local authority that are subject to enforcement activity	N/a	2.17%	
Percentage private sector dwellings returned to occupation that had been unoccupied for more than 6 months due to direct action from CCBC (Qtly accum)	4.30%	3.86%	Our inability to meet the annual target was as a result of extremely poor performance in quarter 2 (as a result of sickness absence) which could not be made up during the year. We have, however, now undertaken a mail shot to all relevant empty home owners, which it is envisaged will substantially improve performance in 2016/17.

Houses in Multiple Occupation - Number of assessments carried out under the Housing Act 2004, by property type	N/a	55	
Landlord - Number of dwellings improved via private housing grants, by tenure	N/a	14	
Landlord - Number of dwellings improved via private housing loans, by tenure	N/a	8	
Owner occupied -Number of dwellings improved via private housing grants, by tenure	N/a	106	
Owner occupier - Number of dwellings improved via private housing loans, by tenure	N/a	1	
Single Occupancy - Number of assessments carried out under the Housing Act 2004, by property type	N/a	504	
The average number of days that all homeless households spent in bed and breakfast accommodation.	30	11.75	
The number of homeless households temporarily accommodated in bed and breakfast accommodation.	N/a	175	Of which 154 actual new placements for 2015/16.
The number of people provided with financial assistance by the homelessness team to access accommodation in the private rented sector (excluding temporary accommodation).	N/a	226	We utilised WG transitional homelessness funding to assist households to access accommodation prior to them getting into a homelessness crisis situation. This type of intervention prevents homelessness from occurring and reduces the actual number of people that the council may later owe a duty towards. Therefore, the higher this number is, the fewer households need to be accepted under the subsequent duties in the 3 PIs below.
Cases who have had homelessness prevented (linked to a national PI Table 1.3 – Eligible, threatened with homelessness, prevention assistance provided (Section 66)).	N/a	12.60%	The number of people we accept as having a 'Duty to prevent an applicant from becoming homeless (Section 66)' 'PREVENTION DUTY' as homeless as a percentage of the number of people we have assessed under (Section 62) duty to assess.
Cases who have had their risk of homelessness relieved by providing alternative accommodation (linked to a national PI Table 1.4 – Eligible, homeless, subject to duty to help to secure (Section 73)).	N/a	35.24%	The number of people we accept as having a 'Duty to help to secure accommodation for homeless applicants (section 73) 'RELIEF DUTY' as a percentage of the number of people we have assessed under (Section 62) duty to assess.
The number of people determined as homeless as a percentage of the number of people threatened with homelessness who approach the Council for	N/a	8.46%	The number of people we accept a final 'Duty to secure accommodation' for applicants in priority need when the duty in section 73 ends section 75 'FINAL DUTY' duty as homeless as a percentage of the number of people we have assessed

assistance (linked to a national PI Table 1.5c – Eligible, unintentionally homeless and in priority need (Section 75)).			under (Section 62) duty to assess.
---	--	--	------------------------------------

Key objectives for 2016/17

4.18 The key objectives for the Private Sector Housing section contained in the 2016/17 service plan:

- Use a range of activities to increase awareness of the Rent Smart Wales (RSW) scheme.
- Utilising grant funding from Welsh Government, appoint an additional member of staff to assist in the creation of a comprehensive private rented sector database
- Sign the RSW Memorandum of Understanding between the Single Licensing Authority and all councils in Wales in relation to service standards and roles.
- Replace of the current environmental health IT system (Civica App) with Tascomi. To include full system implementation, user acceptance testing and end user training prior to go live of the system.
- Ensure the successful implementation of the common housing register IT system (Abritas), associated policies and procedures and revised staff structure.

4.19 Other priorities for 2016/17 include:

- Continue to seek improvements in the provision of the adaptations service.
- Improved partnership working to increase the number of long-term empty properties in the private sector returned to beneficial use by action of the council.

Main risks

4.20 The key risks identified for 2016/17 are:

- Further reductions in the Capital budget could affect our ability to deliver the objectives set out in the Private Sector Housing Renewal policy and achieve the desired level of Agency income.
- Agreeing with partners the funding arrangements for and the staffing structure to facilitate the introduction of the Common Housing Register.
- Insufficient resources to deliver the statutory obligations of the Housing (Wales) Act 2014 in respect of homelessness prevention once the 3-year transitional homelessness funding from Welsh Government has ended.
- Failure to increase in the number of properties available to the council to discharge its homelessness duties could result in increased use of bed and breakfast accommodation and associated costs.
- A delay in the introduction of Tascomi would affect our ability to record and maintain service records.
- Failure to meet key milestones in the implementation of Abritas could delay the introduction of the common housing register.

Public Sector Housing

4.21 The Public Sector Housing section is responsible for the day-to-day delivery of the landlord services function to council tenants (10,825 council owned houses and 947 garages) in accordance with all statutory requirements and council policies. It consists of 117 members of staff with a budget of £5m p.a. and income collection of £46m p.a.

4.22 In the absence of benchmarking data we are unable to compare our performance against housing management services in other areas. Although, our performance information shows that we are currently sustaining high standards of service delivery. There are some areas of weakness that we are aware of, such as low demand for certain property types and areas,

and are actively working to address. It is becoming increasingly more challenging in the current environment with significant legislative changes to sustain and maintain standards.

Performance in 2015/16

4.23 Examples of achievements in 2015/16 include:

- Staff successfully relocated from Pontllanfraith House to Tredomen Business and Technology Centre and The Market Place, Blackwood.
- Tenancy support staff visited more than 2,000 tenants and were successful in helping those people secure an additional £494,000 in benefits.
- A recent review undertaken by the Wales Audit Office in relation to the implementation of the welfare reform cited the service in several examples of best practice.
- The recently introduced Housing Improvement Partnership involves tenants in scrutinising key housing functions and works with Caerphilly Homes to improve housing services from a customer perspective. As a result of the partnership we have revised our procedures relating to landlords consent for tenants to carry out certain proposed works to their home, to reflect the view of tenants.
- Implemented a joint responsibility policy with the WHQS team regarding the maintenance of tenants' homes.
- An extensive consultation exercise has been carried out with tenants on a new rent setting policy and a report was submitted to Policy & Resources scrutiny committee and subsequently approved by Cabinet.
- Commenced a review of the existing service charge arrangements for sheltered housing schemes and for other types of housing. This work will be concluded during 2016/17.
- Undertaken exit surveys, using a new form, to understand the reasons why tenants are giving up their secure tenancy to move into the private rented sector (upper Rhymney Valley housing office). Analysis of the surveys failed to identify any common reasons.
- Introduced daily tenancies for council housing, moving from a system of weekly tenancies. Whilst this has not reduced rent loss from voids it has increased flexibility for the new tenant in terms of when they can sign for their tenancy and move in to the property, and reduced the void turnaround period.
- Reviewed our void property performance information to ensure it provides accurate business intelligence.
- Commenced work in Lansbury Park to address the long standing problem of deprivation in that area and are investing close to £10m in housing and environmental improvements on the estate and are committed to working with local people to make it a place where people are genuinely proud to live.
- Working in partnership with the WHQS section to improve properties in Rowan Place, Rhymney via a £4.2m regeneration programme.
- Introduction of a sensitive lettings policy in Rowan Place for new tenants to address recurring issues of anti-social behaviour and low demand, thereby assisting in the establishment of a sustainable community.
- Utilised existing staff and property visits to maximise information gathering as a means of implementing property/tenancy inspections.
- Increased the support offered to older tenants via a floating support service and by the recruitment of an activities coordinator, thereby assisting in increasing independence and reducing isolation.
- We have introduced changes to a number of our procedures to reflect lessons learned from our investigation of complaints.
- Establishment of a Recharges Review Panel, consisting of officer, tenant and member representation, to ensure a consistent approach to recharges is applied across housing offices.
- We have consulted with the residents of six sheltered housing schemes on the potential remodelling of these schemes to ensure their fitness for purpose for current and future tenants.
- We have initiated and actively participated in a multi agency approach to address concerns with tenancy sustainment and anti-social behaviour in the flats at Holly Road, Ty

Sign. Supported by partners we have opened a housing sub-office in Holly Road to provide additional support and assistance to local residents. Whilst still a work in progress the turnover of tenants and the incidence of recorded complaints has subsequently reduced and housing demand for the flats has increased.

- Produced a Tenant Participation Strategy following extensive consultation and discussion with tenants, staff and the Chartered Institute of Housing on its production.
- Introduced a revised garden monitoring procedure that provides detailed guidance on monitoring and enforcement action for unsatisfactory garden conditions that constitute a breach of tenancy conditions.

Areas for improvement:

4.24 Areas that require improvement were identified as:

- We lack performance information for a number of aspects of the service. A revision of the performance information that is collected and reported would ensure current relevance and value.
- Some of our sheltered housing accommodation suffers from low demand and is not suitable to meet the needs and expectations of current and future tenants.
- Rent loss from void properties remains high, as does the number of tenants requesting a transfer.
- We do not equality monitor the delivery of our services to tenants and, therefore, we do not know who our customers are and are unable to fully tailor services to meet their individual needs.
- There are areas of the service where we do not know what our customers think because tenant or leaseholder satisfaction surveys have not been undertaken.
- We do not fully recoup the cost of providing the leaseholder services management function which results in a reduction in income to use on maintaining existing or developing new services.
- A central database for the collection of property inspection information has not yet been developed and this would greatly assist with monitoring and progressing referrals.

Key Performance Indicators	Previous Year 2015/16		Progress / Comments
	Target	Actual	
The average number of calendar days taken to let lettable units of accommodation during the financial year for permanent accommodation (Annual)	46	53.14	This PI reflects the total void time for a property in debit, from end of one tenancy to commencement of a new tenancy. Over the course of the year a number of low demand properties were let, in part due to the development and implementation of a marketing strategy. This is a positive housing management outcome but it adversely affects the overall re-let time. The average re-let time for properties that are not classed as low demand is 45.51 days, against a target of 46 days, however, the average re-let time for low demand properties is 95.67 days. This has a negative impact on the overall average re-let time. 132 of 868 properties allocated were classed as 'low demand'. Demand for properties north of Aberbargoed is limited and some of our sheltered housing schemes that comprise bedsits are also low demand. Six sheltered schemes comprising bedsits have been identified for consideration for remodelling pending the outcome of feasibility studies.

			The HRO team are increasingly carrying out comprehensive WHQS works to void properties rather than repairs, which improve the outcome to new tenants but, of necessity, is leading to longer void durations. Of the 931 HRO voids in 16/17, 280 were improved to the WHQS.
Percentage of Council Housing Stock that is Empty (Qtly - Yr to date)	1.80%	1.23%	Stock of 10,852. Number of voids is 134 (31/03/16).
Percentage of new tenants who found it easy to contact Housing Office	95%	93.41%	There was a reduction in satisfaction in Q4 which impacted on overall performance. This reflects the period of transition of the EVAHO to The Market place, Blackwood, during which time there were significant difficulties experienced with the telephony system.
The number of Council tenants who are affected by welfare reform and under-occupying that successfully downsized to alternative Council accommodation.	N/a	39	New PI. Experience this year has demonstrated that there is considerable reluctance for many households that have been affected by welfare reform to actively consider a transfer to smaller accommodation when reasonable offers of such accommodation are made.
Percentage of tenants who chose to view the property before tenancy started	82%	86.26%	
The level of tenant satisfaction with general condition of their new property (following allocation or transfer)	70%	68.13%	An increasing number of void properties are improved to the WHQS prior to allocation, however, it may well be that general expectation has arisen due to WHQS. There are also occasions where applicants are allocated smaller properties than they may hope for if affordability is an issue following welfare reform. We are offering transfers for downsizing and these may be reluctant movers. A significant proportion of respondents over the course of the year (18.68%) answered the question 'How would you describe the general condition of this property?' as 'Average'. We currently only include responses that are 'Good' or 'Very Good' as indicators of satisfaction. Should we include 'average' responses the annual satisfaction rate would increase to 86.81%.
Percentage of residents satisfied with visit by tenancy support officers.	97%	100%	Relates to council tenants only.
Tenant satisfaction with overall rent service (Rating Good/Very Good)	85%	86.29%	
The total amount of rent arrears owed by former tenants in permanent accommodation which were written off as unrecoverable during the financial year as a percentage of the total rent collectable for the financial year (Qtly accum - Year to date)	0.50%	0.54%	Write offs authorised by Interim Head of Corporate Finance.
The total amount of rent lost due to lettable units of	1.90%	1.55%	

permanent accommodation being empty as a percentage of the total rent debit for the financial year (Qtly accum - Year to date)			
The total amount of rent arrears owed by current tenants in the following types of accommodation as a percentage of the total rent collectable for the financial year - Permanent Accommodation (Qtly accum - Year to date)	3.00%	2.73%	
The number of council tenants affected by welfare reforms who were visited in their own homes and provided with advice and support to minimise the impact of the changes	2,000	2,252	Encompasses tenants affected by any of the changes to the welfare benefits system including the bedroom tax.
The number of council tenants referred for money and debt advice as a direct result of face to face support on the impact of welfare reforms	130	215	
The value of financial savings generated for tenants as a direct result of face to face support on the affect of welfare reforms	£280,000	£493,911	This includes additional Housing Benefit and welfare benefit savings, together with assistance with water costs.
The number of people supported by tenancy support officers to access benefits they are entitled to [council housing only]	N/a	811	New PI.
Legal action resulting in a Court Order will be reasonable and proportionate to the number of ASB referrals	2%	1.65%	12 court orders out of 727 cases.
Maximise the use of the VIP to support tenants at risk of losing their homes	8	11	Number of referrals.
Satisfaction with the way ASB complaints are handled by the TES will be maintained to a high standard	90%	90.63%	

Key objectives for 2016/17

4.25 The key objectives for the Public Sector Housing section contained in the 2016/17 service plan:

- Development of a divisional training strategy.
- Consider the replacement of the Capita Housing Management IT system.
- Establish whether we are able to introduce service charges for council tenants for existing and new services.
- Complete current consultation process with tenants before deciding whether to pilot the introduction of service charges for certain new services for tenants living in Holly Road flats.

- Carry out an assessment of the implications Universal Credit may have on our ambitions to introduce service charges for all tenants that receive eligible services.
- Complete de-pooling of service charges for tenants of sheltered housing schemes to determine the appropriate service charge for each sheltered housing scheme.
- Present a report to the relevant committees and Cabinet on the introduction of service charges for non sheltered housing accommodation.
- Undertake a review of sheltered housing schemes in consultation with social services to inform current proposals for remodelling and to consider their suitability to meet the needs of a range of potential future customers.
- Complete a review of the existing tenancy agreement for council housing in light of the introduction of the Renting Homes (Wales) Act 2016.

4.26 Other priorities for 2016/17 include:

- Develop a database to assist with the management and monitoring of property inspections.

Main risks

4.27 The key risks identified for 2016/17 are:

- An inability to introduce or de-pool service charges will affect our ability to recover income for services that we currently provide and for services which we may want to introduce in the future.
- An inability to recoup 100% of the cost of providing the leaseholder services management function will result in a reduction in income to use on maintaining existing or developing new services, due to the need to subsidise the function from our sources of funding.
- We will experience a reduction in income to use to maintain existing or develop new services, through continuing long-term voids, if the outcome of the viability assessments means that we are unable to remodel a number of sheltered housing schemes.
- Review of service charges for sheltered housing schemes and the introduction of service charges to general needs accommodation could result in reduced levels of customer satisfaction.
- The numbers of low demand properties needs to be addressed to maximise income and contribute towards reducing the housing waiting list.
- A lack of equality information would mean that we are unable to tailor services to meet the needs of our customers, resulting in lower levels of satisfaction.

Monitoring arrangements

4.28 The delivery of the objectives outlined in this report will be monitored through the following methods:

Frequency	MONITORING ARRANGEMENT
Weekly	Review financial & operational performance reports Consider weekly workloads
Fortnightly	WHQS Project Board
Monthly	Performance data review meetings Service plan review meetings Financial and operational performance and strategy review meetings. Financial monitoring meetings (capital)
Bi-monthly	Financial monitoring meetings (revenue)
6 weekly	Caerphilly Homes Task Group (WHQS) Housing management team meeting
Quarterly	Aspireview updated and reviewed Performance management meetings Performance management unit review support meeting Performance management reports – Aspireview Progress reports to chief officer

6 monthly	Reports to Policy and Resources scrutiny committee and Cabinet Progress reports to head of service Performance management meeting
Annually	Performance development reviews for all staff Benchmarking (APSE) Aspireview updated and reviewed Year end report to head of service

5. EQUALITIES IMPLICATIONS

5.1 An equality impact assessment is not required as the report is for information purposes only.

6. FINANCIAL IMPLICATIONS

6.1 There are no financial implications to this report, although, there may be in respect of the individual actions.

7. PERSONNEL IMPLICATIONS

7.1 There are no personnel implications to this report, although, there may be in respect of the individual actions.

8. CONSULTATIONS

8.1 Comments received following consultations during the course of preparing this report have been reflected within the content.

9. RECOMMENDATIONS

9.1 Members are asked to consider the content of this report and, where appropriate, question and challenge the performance presented.

10. REASONS FOR THE RECOMMENDATIONS

10.1 Performance management scrutiny affords members the opportunity to challenge, inform and shape the future performance of the housing service and the priorities presented within this report for 2016/17.

11. STATUTORY POWER

11.1 Local Government Measure 2009.

Author: Mark Jennings, Housing Strategy Officer.
(Tel: 01495 235198 – email: jennim1@caerphilly.gov.uk)

Consultees: Councillor David Poole – Deputy Leader and Cabinet Member for Housing
Christina Harry, Corporate Director Communities
Nicole Scammell, Acting Director of Corporate Finance & Section 151 Officer
Shaun Couzens, Chief Housing Officer
Phil G. Davy, Head of Programmes (WHQS)
Paul Smythe, Housing Repair Operations Manager
Kenyon Williams, Private Sector Housing Manager
Fiona Wilkins, Public Sector Housing Manager
Lesley Allen, Principal Accountant (Housing), Corporate Services
Ros Roberts, Performance Manager, Corporate Services
Ian Raymond, Performance Officer, Corporate Services

This page is intentionally left blank



POLICY AND RESOURCES SCRUTINY COMMITTEE – 12TH JULY 2016

SUBJECT: RESERVES STRATEGY

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

1. PURPOSE OF REPORT

- 1.1 To present the Scrutiny Committee with the Council's draft reserves strategy document prior to consideration by Cabinet.

2. SUMMARY

- 2.1 The draft reserves strategy appended to this report consolidates existing arrangements for the establishment and subsequent management and use of reserves within the Authority.
- 2.2 Members of the Scrutiny Committee are asked to consider the strategy document and provide comments prior to its presentation to Cabinet.

3. LINKS TO STRATEGY

- 3.1 The establishment and effective management of reserves are important elements of the Council's financial strategy.

4. THE REPORT

- 4.1 Local Authorities have a corporate responsibility to operate within available resources and to remain financially sound over the short, medium and longer term.
- 4.2 One of the key tools available to Authorities in managing their financial affairs is the creation and use of both general and earmarked reserves to assist them in delivering services over a period of longer than one financial year.
- 4.3 Reserves are an essential part of good financial management. They help Councils cope with unpredictable financial pressures, help them smooth the impact of known spending requirements over time, and help to fund any in-year overspending. The level, purpose, and planned use of reserves are important factors for Elected Members and Officers to consider in developing medium-term financial plans and setting annual budgets.
- 4.4 The definitions and related accounting treatment of reserves are governed by the requirements of accounting standards. In summary, reserves: -

- can be established for any purpose and at whatever point the Authority determines (although the purpose, usage and basis of transactions should be clearly established);
- can be held for both revenue and capital purposes; and
- can be used at the Authority's discretion (except that reserves established for capital purposes cannot be used to meet revenue expenditure).

4.5 Reserves are classified in specific categories. These are generally accepted classifications used by Local Authorities as follows: -

General Reserves – These apply separately in respect of the Council Fund and Housing Revenue Account (HRA), and essentially represent a combination of a working balance to cushion the impact of uneven cash flows, to avoid unnecessary temporary borrowing and to provide a contingency to cushion the impact of unexpected events or emergencies.

Earmarked and Specific Reserves – These are established to meet known or predicted requirements or are established by statute.

Ring-fenced Reserves – These reserves are set-aside for specific service areas (e.g. schools) and are not available for general Council use.

Unusable Reserves – These arise out of the interaction of legislation and proper accounting practice either to store revaluation gains or as adjustment accounts to reconcile requirements driven by reporting standards to statutory requirements. These reserves are not backed by resources (i.e. not cash backed) and cannot be used for any other purpose. Unusable reserves are outside the scope of the attached reserves strategy document.

4.6 Usable reserves held by Local Authorities have been subject to increased scrutiny in recent years largely due to the ongoing programme of austerity.

4.7 In November 2014, the Minister for Public Services asked all Council Leaders in Wales for details of reserves held, the strategies for holding and utilising these amounts, and details of engagement with, and scrutiny by Elected Members. In February 2015 the Minister issued a statement which referred to a lack of consistency in applying protocols for the establishment, review and discharge of reserves and the statement also expressed particular concern over the apparent lack of opportunity for Elected Members to engage in and scrutinise the use of reserves held by their Authorities.

4.8 In April 2015 the Wales Audit Office (WAO) published a report on the financial resilience of Councils in Wales. One of the recommendations in the report was the following: -

“Councils should ensure that they have a comprehensive reserves strategy that outlines the specific purpose of accumulated usable reserves as part of their Medium-Term Financial Plan”.

4.9 The reserves strategy appended to this report is a consolidation of existing arrangements that have been operating with Caerphilly CBC for a number of years. The strategy ensures that appropriate arrangements are in place for the establishment and management of reserves and that reporting arrangements allow for sufficient transparency and scrutiny. The Authority does have a detailed reserves protocol for the day-to-day operational management of reserves and this is also in the process of being updated to ensure that it fully reflects the content of the attached strategy document.

4.10 One change to existing arrangements in the attached strategy document is a proposed cap on the amount Directorates can hold in reserve from revenue budget underspends. Directorates are currently permitted to hold 50% of revenue budget underspends in their own general reserves with the balance being transferred to the General Fund Reserve. There has

previously been no limit on the cumulative amount that can be held in these reserves but it is now proposed that the cumulative balance should not exceed 3% of the net revenue budget for each Directorate. Based on 2016/17 net budgets the cap for each Directorate would be as follows: -

Directorate	3% Cap (£m)
Corporate Services	0.656
Social Services	2.459
Environment	1.027
Education & Lifelong Learning	1.010

- 4.11 Where the 3% limit is exceeded the reporting procedure outlined in paragraphs 6.8 to 6.10 of the attached document should be followed.
- 4.12 The 3% cap does not apply to the Housing Revenue Account (HRA) or schools as balances in these areas are ring-fenced and are not available for general Council use.
- 4.13 Members will note that as part of the reserves strategy an annual report on usable reserves will be prepared for the Policy and Resources Scrutiny Committee during the autumn. This report will provide detailed information on all usable reserves and will ensure that there is an opportunity for effective scrutiny of the balances held and their intended purpose.
- 4.14 Members of the Scrutiny Committee are asked to consider the attached strategy document and provide comments prior to its presentation to Cabinet.

5. EQUALITIES IMPLICATIONS

- 5.1 An EIA screening has been completed in accordance with the Council's Strategic Equality Plan and supplementary guidance. No potential for unlawful discrimination and/or low level or minor negative impact has been identified regarding this report; therefore a full EIA has not been carried out.

6. FINANCIAL IMPLICATIONS

- 6.1 There are no immediate financial implications arising from the content of this 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 of the Scrutiny Committee are asked to consider the draft strategy document and provide comments prior to its presentation to Cabinet.

10. REASONS FOR THE RECOMMENDATIONS

10.1 To ensure that the views of the Scrutiny Committee are considered by Cabinet.

11. STATUTORY POWER

11.1 The Local Government Acts 1992 and 2003.

Author: Stephen Harris, Interim Head of Corporate Finance
E-mail: harrisr@caerphilly.gov.uk Tel: 01443 863022

Consultees: Chris Burns, Interim Chief Executive Officer
Nicole Scammell, Acting Director of Corporate Services & S151 Officer
Dave Street, Corporate Director, Social Services
Christina HARRY, Corporate Director, Communities
Andrew Southcombe, Finance Manager, Corporate Finance
Mike Eedy, Finance Manager, Environment
Mike Jones, Interim Financial Services Manager, Social Services
Jane Southcombe, Financial Services Manager, Education
Sue Richards, Principal Finance Officer, Schools
Lesley Allen, Group Accountant, Housing
Lisa Lane, Corporate Solicitor
Cllr Barbara Jones, Deputy Leader & Cabinet Member for Corporate Services

Appendices:
Appendix 1 Caerphilly CBC Draft Reserves Strategy – Version 1 (June 2016)



DRAFT

Reserves Strategy

Version One

(June 2016)

1. INTRODUCTION

- 1.1 This strategy document establishes a framework within which decisions will be made regarding the level of usable reserves held by the Council and the purposes for which they will be maintained and used. The strategy is underpinned by a detailed reserves protocol for the day-to-day operational management of reserves.
- 1.2 Local Authorities have a corporate responsibility to operate within available resources and to remain financially sound over the short, medium and longer term.
- 1.3 One of the key tools available to Authorities in managing their affairs is the creation and use of both general and earmarked reserves to assist them in delivering services over a period of longer than one financial year.
- 1.4 Reserves are an essential part of good financial management. They help Councils cope with unpredictable financial pressures, help them smooth the impact of known spending requirements over time, and help to fund any in-year overspending. The level, purpose, and planned use of reserves are important factors for Elected Members and Officers to consider in developing medium-term financial plans and setting annual budgets.
- 1.5 In terms of guidance on the review and management of reserves, the Chartered Institute of Public Finance and Accountancy (CIPFA), via the Local Authority Accounting Panel, issued a bulletin in July 2014 (LAAP 99) intended to give advice to Local Authorities on the management and review of reserves. This bulletin is considered best practice in terms of Local Authority financial administration of reserves and effectively must be followed. This strategy document incorporates the guidance and best practice set out in LAAP 99.
- 1.6 The Council holds reserves to support the sound financial management of the Authority. New reserves may be created at any time but must be approved in accordance with the Governance Framework set out in Section 6 of this document. Reserves set-aside must meet the following criteria: -
 - Create a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing e.g. an election reserve for dealing with the fluctuating expenditure levels resulting from cyclical elections, categorised as 'Equalisation Reserves'.
 - Create funds for specific policy purposes e.g. Capital Reserves to fund capital expenditure such as the 21st Century Schools Programme.
- 1.7 The Council keeps a number of reserves in the Balance Sheet. Some are required to be held for statutory reasons, some are needed to comply with proper accounting practice, and others have been set up voluntarily to earmark resources for future spending plans.

2. LEGISLATIVE / REGULATORY FRAMEWORK

- 2.1 The requirement for financial reserves is acknowledged in statute. Sections 31A, 32, 42A and 43 of the Local Government Finance Act 1992 require billing and precepting Authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.
- 2.2 There are also a range of safeguards in place that help to prevent Local Authorities over-committing themselves financially. These include: -
- The balanced budget requirement (Sections 32 and 43 of the Local Government Finance Act 1992).
 - Chief Finance Officers' duty to report on the robustness of estimates and adequacy of reserves (under section 25 of the Local Government Act 2003) when the Authority is considering its budget requirement.
 - The legislative requirement for each Local Authority to make arrangements for the proper administration of their financial affairs and that the Chief Finance Officer has responsibility for the administration of those affairs (Section 151 of the Local Government Act 1972).
 - The requirements of the Prudential Code.
- 2.3 These requirements are reinforced by Section 114 of the Local Government Finance Act 1988 which requires the Chief Finance Officer to report to all the Authority's Elected Members if there is or is likely to be unlawful expenditure or an unbalanced budget. This would include situations where reserves have become seriously depleted and it is forecast that the Authority will not have the resources to meet its expenditure in a particular financial year.
- 2.4 Section 26 of the Local Government Act 2003 gives Ministers in England and Wales a general power to set a minimum level of reserves for Local Authorities. However, this is only applied to individual Authorities in circumstances where an Authority does not act prudently, disregards the advice of its Chief Finance Officer and is heading for serious financial difficulty. This accords with the view of CIPFA that a generally applicable minimum level is inappropriate, as a minimum level of reserve will only be imposed where an Authority is not following best financial practice.
- 2.5 Whilst it is primarily the responsibility of the Local Authority and its Chief Finance Officer to maintain a sound financial position, external auditors also have a responsibility to review the arrangements in place to ensure that financial standing is soundly based. In the course of their duties external auditors review and report on the level of reserves taking into account their local knowledge of the Authority's financial performance over a period of time. However, it is not the responsibility of auditors to prescribe the optimum or minimum level of reserves.

3. ROLE OF THE CHIEF FINANCE OFFICER

- 3.1 In this document, all references to the Chief Finance Officer are to be taken to refer to the officer appointed by the Council, under Section 151 of the Local Government Act 1972, as responsible for the administration of the financial affairs of the Council. The officer currently designated as Chief Finance Officer for the Authority is the Acting Director of Corporate Services.
- 3.2 The Officer appointed under Section 151 of the Local Government Act 1972 has overall responsibility for providing financial advice on all budgetary and accounting matters affecting the Council's corporate financial affairs. They are also responsible for determining proper practice in terms of the Authority's accounting records and accounting control systems, and ensuring that the control systems are observed and the records kept up to date and properly completed.
- 3.3 Within the existing statutory and regulatory framework, it is the responsibility of Chief Finance Officers to advise Local Authorities about the level of reserves that they should hold and to ensure that there are clear protocols for their establishment and use. Reserves should not be held without a clear purpose.
- 3.4 In addition, the Chief Finance Officer also has to comply with professional standards in this regard, as detailed by CIPFA. In formulating such requirements, CIPFA has emphasised the Chief Finance Officer's fiduciary duty to local taxpayers, and the need to be satisfied that decisions taken on balances and reserves represent proper stewardship of public funds. These requirements include: -
- Advising Elected Members on the level of reserves, and establishing protocols for their use.
 - Reporting to Elected Members on the robustness of the budget, and the adequacy of reserves and provisions.
 - Reporting to Members on performance against budget and the impact on reserves.
 - An annual review of earmarked reserves (including schools' reserves).
- 3.5 A well-managed Authority with a prudent approach to budgeting should be able to operate with a level of general reserves appropriate for the risks (both internal and external) to which it is exposed. In assessing the appropriate level of reserves, a well-managed Authority will ensure that the reserves are not only adequate but are also necessary.
- 3.6 It is the duty of the Chief Finance Officer to specifically report on the robustness of budget estimates and reserves when Council considers the budget report in February each year. As such, the budget report will make specific reference to the level of and adequacy of reserves.
- 3.7 Within the context of the above statutory and professional responsibilities, the Authority's own Financial Regulations identify the Head of Corporate Finance as the officer delegated to manage the day-to-day operation of the Council's

financial affairs, with direct responsibility to the Chief Finance Officer. Within that role, the Head of Corporate Finance is responsible for the maintenance of the Authority's financial records, and for directing the form and method in which they are to be kept. The Head of Corporate Finance is also responsible for ensuring that the treatment of expenditure and income is in accordance with statutory requirements and professional Codes of Practice.

- 3.8 The Authority's Financial Regulations also state that all Heads of Service shall be responsible to the Head of Corporate Finance for the day-to-day operation of financial processes and procedures within their service area, and the accuracy and timeliness of any financial information or data. They are also responsible for consulting with the Head of Corporate Finance on all matters liable to affect the finances of the Council, and to provide all information necessary to enable the Head of Corporate Finance to carry out their role effectively.

4. TYPES OF RESERVE

- 4.1 The definitions and related accounting treatment of reserves are governed by the requirements of accounting standards. In summary, reserves: -

- can be established for any purpose and at whatever point the Authority determines (although the purpose, usage and basis of transactions should be clearly established);
- can be held for both revenue and capital purposes; and
- can be used at the Authority's discretion (except that reserves established for capital purposes cannot be used to meet revenue expenditure).

- 4.2 Reserves are classified in specific categories. These are generally accepted classifications used by Local Authorities as follows: -

General Reserves – These apply separately in respect of the Council Fund and Housing Revenue Account (HRA), and essentially represent a combination of a working balance to cushion the impact of uneven cash flows, to avoid unnecessary temporary borrowing and to provide a contingency to cushion the impact of unexpected events or emergencies.

Earmarked and Specific Reserves – These are established to meet known or predicted requirements or are established by statute.

Ring-fenced Reserves – These reserves are set-aside for specific service areas (e.g. schools) and are not available for general Council use.

Unusable Reserves – These arise out of the interaction of legislation and proper accounting practice either to store revaluation gains or as adjustment accounts to reconcile requirements driven by reporting standards to statutory requirements. These reserves are not backed by resources (i.e. not cash backed) and cannot be used for any other purpose. Unusable reserves are outside the scope of this strategy document.

4.3 General Reserves

4.3.1 The Chief Finance Officer will provide advice on the appropriate level of the General Fund Reserve annually as part of the budget setting process and this will be subject to approval by Cabinet and Full Council.

4.3.2 Directorates are currently permitted to hold 50% of revenue budget underspends in their own general reserves with the balance being transferred to the General Fund Reserve. The subsequent use of these Directorate reserves is subject to the approval limits set out in Section 6 of this document. Where a Directorate overspends in any given financial year, the overspend will in the first instance be chargeable to the retained underspend reserve for the Directorate.

4.3.3 The cumulative balance of the Directorate underspend reserves should not exceed 3% of the net revenue budget for each Directorate. Where the 3% limit is exceeded the reporting procedure outlined in paragraphs 6.8 to 6.10 of this document must be followed.

4.4 Earmarked and Specific Reserves

4.4.1 These are required for specific purposes and are a means of building up funds to meet known or predicted liabilities. By their nature these reserve balances do not have minimum and maximum thresholds. The creation of such reserves must be approved in accordance with the thresholds set out in Section 6 of this document.

4.4.2 The most common reasons for establishing earmarked reserves include the following: -

- Major capital schemes or asset developments.
- Major reorganisations.
- Insurance related potential liabilities.
- Trading / business unit surpluses.
- Contingent liabilities.

4.4.3 Earmarked Reserves should be reasonable for the purpose held and must be used for the item for which they have been set aside. If circumstances arise in which the reserve is no longer required for its original purpose it will transfer to the General Fund Reserve.

4.5 Ring-fenced Reserves

4.5.1 Housing Revenue Account

The Housing Revenue Account (HRA) is ring-fenced which means that HRA resources can only be expended within the HRA. Councils are not allowed to transfer resources between the HRA and their general funds. The balance on the HRA is held in a ring-fenced reserve.

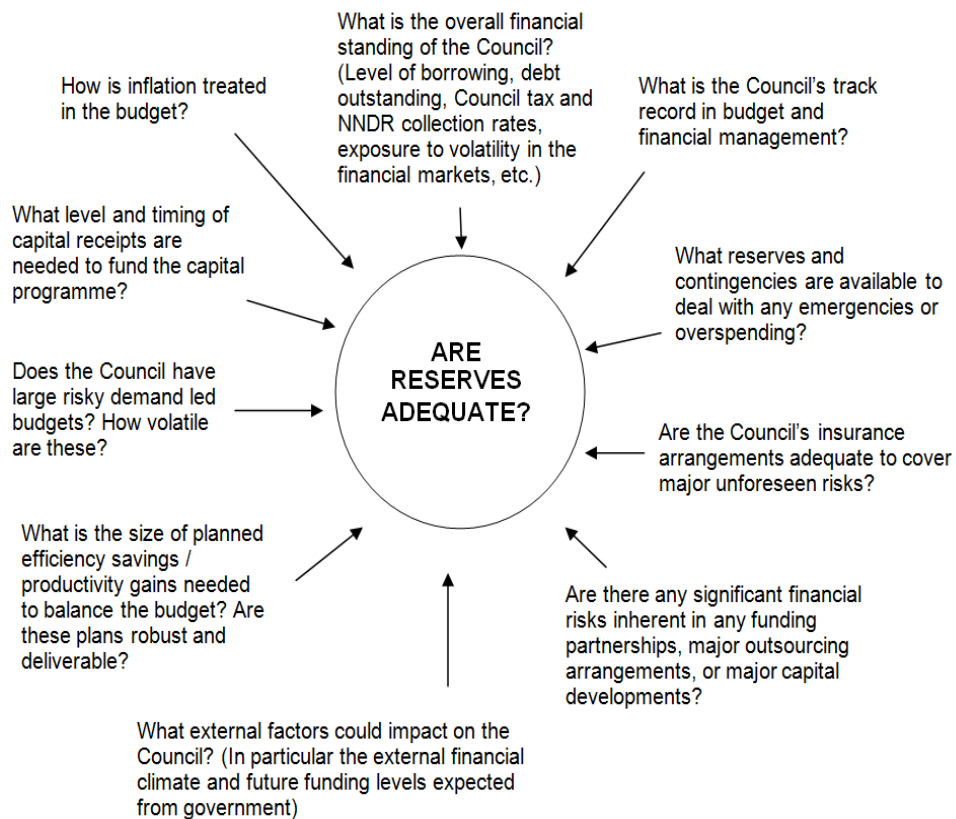
4.5.2 Schools Reserves

Schools are able to carry forward surplus and deficit balances from one year to the next and utilise these balances for managing changes in pupil numbers and

funding, or the funding of projects and future liabilities. The balances are held by individual schools, they are not for general Council use.

5. PRINCIPLES TO ASSESS THE ADEQUACY OF RESERVES

- 5.1 There is no set formula for deciding what level of reserves is appropriate and Councils are free to determine the level of reserves they hold. Where Councils hold very low reserves there may be little resilience to financial shocks and sustained financial challenges. However, where reserves are too high there may be opportunity costs involved in holding these reserves (for example a lack of investment in making service changes that could generate better outcomes for residents and/or increased savings or revenue generation for the Council).
- 5.2 CIPFA guidance identifies the issues to consider in determining an appropriate level of reserves as follows: -



- 5.3 The many factors involved when considering appropriate levels of reserves can only be assessed properly at a local level. A considerable degree of professional judgement is required. The advice of the Chief Finance Officer will be set in the context of the Authority's risk register and medium-term plans and will not focus exclusively on short-term considerations.
- 5.4 It is not normally prudent for reserves to be deployed to deliver a balanced budget and CIPFA has commented that Councils should be particularly wary about using one-off reserves to deal with shortfalls in current funding. Where such action is to be taken, this should be made explicit, and an explanation given as to how such expenditure will be funded in the medium to

long term. Advice should be given on the adequacy of reserves over the lifetime of the medium-term financial plan, and should also take account of the expected need for reserves in the longer-term.

6. GOVERNANCE FRAMEWORK

- 6.1 Without a clearly defined purpose and approval process there will be ambiguity over the application of reserves. Therefore, when a reserve is proposed the following is the minimum information that must be provided: -

Purpose - The reason for creating the reserve should be clearly stated.

Value – Details of the amount that will be set-aside in the reserve and how it is being funded.

Usage - There should be a clear statement of how and when the reserve will be used.

Management and Control – Details of who will be responsible for the day-to-day management of the reserve and the associated reporting requirements.

- 6.2 The following are the authorisation limits for the establishment of reserves that currently operate within Caerphilly CBC (the limits are also applicable to the Housing Revenue Account (HRA)): -

Revenue Reserves

Amount of Reserve	Approval By
Up to £20,000	Head of Service
£20,001 to £50,000	Portfolio Director
£50,001 to £100,000	Head of Corporate Finance and Portfolio Director
Over £100,000	Cabinet

Capital Reserves

Amount of Reserve	Approval By
Up to £50,000	Head of Corporate Finance and Portfolio Director
Over £50,000	Cabinet

- 6.3 Details of each proposed reserve must be submitted to the Head of Corporate Finance in line with the minimum information requirements set out in paragraph 6.1 of this document. Arrangements will then be made for the appropriate approvals to be obtained and following approval the relevant financial transactions will be actioned in the Authority's accounts.

- 6.4 The authorisation process for the use of the General Fund Reserve will always be via Cabinet and Full Council.
- 6.5 Directorates will be expected to utilise their own reserves or existing budgets prior to seeking support from the General Fund Reserve.
- 6.6 When seeking approval for financial support from the General Fund Reserve, the relevant Director and/or Head of Service will present an appropriate business case to the Chief Finance Officer justifying the need to incur the expenditure and evidencing the extent to which the use of other funding sources has been investigated.
- 6.7 Where reports to Members are prepared, in accordance with the authorisation processes outlined in this document, the consultees must always include the Chief Finance Officer, Head of Corporate Finance and Finance Manager (Corporate Services), together with the appropriate Directorate Finance Manager.
- 6.8 Where the draft accounts in a given financial year show that the 3% limit on a Directorate's retained underspend reserve will be exceeded, the relevant Director will prepare a report for the Corporate Management Team (CMT) outlining proposals for utilising the excess balance. Alternatively, a CMT report will need to be prepared by the relevant Director providing a justification for retaining the excess balance as a contingency based on an up-to-date assessment of financial risks for the service. Whichever approach is adopted, the report must be considered by CMT within 6 months of the end of the relevant financial year.
- 6.9 Any proposals to utilise the excess balance that are supported by CMT will need to be formally authorised in accordance with the approval limits set out in Section 6 of this document.
- 6.10 Where proposals are not supported or no proposals are submitted for consideration, excess balances on retained underspend reserves will be transferred to the General Fund Reserve.
- 6.11 As mentioned in paragraph 4.5.2 of this document individual schools are able to carry forward surplus and deficit balances in ring-fenced reserves. However, the Local Authority does have a policy for managing both surplus and deficit school balances. Schools are required to report in writing to the Local Authority the use of surplus balances and the policy also allows a licensed deficit facility for schools that provide an action plan for bringing that deficit back into balance over a three year period. All schools with surplus balances are required to provide the Authority with plans of spend and these plans are monitored termly and reported to School Budget Forum at each meeting.
- 6.12 Clawback arrangements can be agreed by the School Budget Forum when school balances exceed prescribed limits, and in instances where spending plans are not adhered to. The prescribed limits from Welsh Government where clawback can be instigated are £50k for primary schools and £100k for secondary schools.

7. REPORTING ARRANGEMENTS

- 7.1 The International Financial Reporting Standards (IFRS) based *Code of Practice on Local Authority Accounting in the United Kingdom (The Code)* introduced the Movement in Reserves Statement to Local Authority financial statements in the 2010/11 financial year. This Statement presents the movement in the year of the reserves of the Authority analysed into usable reserves and unusable reserves. The Code also states that for each reserve established, the purpose, usage and the basis of transactions should be clearly identified.
- 7.2 In addition to complying with the disclosure requirements in the annual financial statements the overall level of balances will be reported to Cabinet and Council annually as part of the budget setting and outturn reports. Any significant issues, including variations in the projected level of reserves, will be included in budget monitoring reports that are presented to Scrutiny Committees and Cabinet throughout the financial year.
- 7.3 Following the external audit of the accounts each year a report on usable reserves will also be prepared for the Policy and Resources Scrutiny Committee during the autumn. This report will provide detailed information on all usable reserves and will ensure that there is an opportunity for effective scrutiny of the balances held and their intended purpose.