

Pecyn Dogfennau Cyhoeddus

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

Ty Penallta,
Parc Tredomen,
Ystrad Mynach,
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Am bob ymholiad ynglŷn â'r agenda hwn cysylltwch â Charlotte Evans
(Rhif Ffôn: 01443 864210 Ebst: evansca1@caerphilly.gov.uk)

Dyddiad: Dydd Mercher, 8 Chwefror 2017

Annwyl Syr/Fadam,

Bydd cyfarfod **Grŵp Tasg Tai Caerffili** yn cael ei gynnal yn **Ystafell Sirhywi, Tŷ Penallta, Tredomen, Ystrad Mynach** ar **Dydd Iau, 16eg Chwefror, 2017** am **5.30 pm**.i ystyried materion a gynhwysir yn yr agenda canlynol.

Yr eiddoch yn gywir,

Chris Burns
PRIF WEITHREDWR DROS DRO

A G E N D A

Tudalennau

- 1 I dderbyn ymddiheuriadau am absenoldeb
- 2 Datganiadau o Ddiddordeb.

Atgoffi'r Cynghorwyr a Swyddogion o'u cyfrifoldeb personol i ddatgan unrhyw fuddiannau personol a/neu niweidiol mewn perthynas ag unrhyw eitem o fusnes ar yr agenda hwn yn unol â Deddf Llywodraeth Leol 2000, Cyfansoddiad y Cyngor a'r Cod Ymddygiad ar gyfer Cynghorwyr a Swyddogion.

I gymeradwyo a llofnodi'r cofnodion canlynol:-

A greener place Man gwyrddach



3 Cynhaliwyd y Grwp Tasg Tai Caerffili ar 15fed Rhagfyr 2016. 1 - 6

I dderbyn ac ystyried yr adroddiadau canlynol ac i wneud argymhellion i Bwyllgor Craffu Polisi ac Adnoddau a'r Cabinet: -

4 Ail-broffilio Rhaglen SATC a Rhaglen Cyfalaf Cyfrif Refeniw Tai 2017/2018. 7 - 26

I dderbyn a nodi yr eitem(au) gwybodaeth ganlynol: -

5 Rhaglen Amgylcheddol SATC. 27 - 30

6 Taliadau Prydleswyr. 31 - 40

7 Lle Rowan, Rhymni - Dymchwel Fflatiau Arfaethedig - Bloc 65-68. 41 - 48

**Os dymuna'r Aelod o Grŵp Gorchwyl Cartrefi Caerffili am yr adroddiad(au) wybodaeth uchod i gael eu dwyn ymlaen i'w trafod yn y cyfarfod, cysylltwch â Charlotte Evans ar 01443 864210, erbyn 10a.m. ar ddydd Mercher 15fed Chwefror 2017.*

8 I dderbyn unrhyw geisiadau am eitem i'w gynnwys ar yr agenda nesaf sydd ar gael.

Circulation:

Aelodau'r Grŵp Gorchwyl: L. Ackerman, Mrs Y. Bryant, Mr C. Davies, Miss E. Forehead (Cadeirydd), Ms J. Gale, K. James, Mrs B. A. Jones, Ms S. Jones, Miss A. Lewis (Is Gadeirydd), C.P. Mann, Mrs D. Moore, Mr J. Moore a D.V. Poole,

A Swyddogion Priodol



CAERPHILLY HOMES TASK GROUP (WELSH HOUSING QUALITY STANDARD)

**MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH
(SIRHOWY ROOM) ON THURSDAY, 15TH DECEMBER 2016 AT 5.00 P.M.**

PRESENT:

Councillors:

Ms J. Gale, Mrs B. Jones, C.P. Mann, D.V. Poole

Tenant Representatives:

Mr C. Davies, Mrs S. Jones, Mrs D. Moore, Mr J. Moore

Officers:

S. Couzens (Chief Housing Officer), M. Lloyd (Deputy Head of Programmes), A. Hiscox (Older Persons Housing Manager), R. Lewis (Systems and Performance Manager), F. Wilkins (Public Sector Housing Manager) and R. Barrett (Committee Services Officer)

1. APOLOGIES

Apologies for absence were received from Councillors L. Ackerman, Miss E. Forehead (Chair), K. James, and Tenant Representatives Mrs Y. Bryant and Ms A. Lewis (Vice-Chair).

In the absence of Councillor E. Forehead and Ms A. Lewis, Councillor J. Gale was moved to the Chair.

2. DECLARATIONS OF INTEREST

Councillor Mrs B. Jones and Tenant Representatives Mrs S. Jones, Mrs D. Moore and Mr J. Moore declared a personal but not prejudicial interest in all agenda items as Council Tenants.

3. MINUTES - 3RD NOVEMBER 2016

RESOLVED that the minutes of the meeting held on 3rd November 2016 be approved as a correct record and signed by the Chair.

4. MATTERS ARISING

A Tenant Representative referred to discussions at the previous Task Group meeting, where it had been noted that there had not been a request for representation at the Policy and Resources Scrutiny Committee for some time. Officers confirmed that the matter had been

raised with the Chair of the Scrutiny Committee and that representatives from the Task Group would be invited to attend such meetings when there is a relevant item on the agenda.

5. SHELTERED HOUSING COMMUNICATIONS

Although not present, it was noted that Miss A. Lewis (Caerphilly Homes Task Group Member) had requested the information item be brought forward for discussion at the meeting.

The report updated the Task Group on the progress to date in communicating to residents the Council's plans to complete the Welsh Housing Quality Standard (WHQS) investment programme in the sheltered housing schemes.

Members were reminded that WHQS works are planned for 28 schemes over the next three years. A further 6 schemes have been identified for possible remodelling and will be considered separately. 3 out of the 11 schemes in the first year of the programme have already had their internal works completed and will be progressed separately by the WHQS Team for the remaining external and environmental works. The tenants will be contacted directly by the WHQS Team for updates and consultation. For the remaining 8 schemes, surveys commenced in October 2016, which are currently in advance of their proposed dates, and a more accurate work profile will be established for each scheme, prior to the intended commencement of works in April 2017.

A local press release to raise general awareness amongst tenants of this intended work has been circulated, and all sheltered housing tenants have been updated by letter (examples appended to the report) to confirm the current proposals for their scheme. The WHQS and management team have met tenants at those schemes, where surveys are imminent and where work is planned to start in 2017/18, to introduce themselves and advise on what works are being considered in their homes. Tenants also have the opportunity to raise any related questions at these meetings, with a list of frequently asked questions appended to the report. 5 scheme meetings have already been completed with the remaining 3 meetings scheduled to take place within the next 3 months. There will be further opportunities for residents to consider the programme and any concerns they may have as the work programme progresses.

For those schemes being considered in 2018/19 and 2019/20, tenants are being updated through the quarterly tenant scheme meetings they currently have with members of the Older Persons Housing Team. It is considered too early in the process to provide detailed updates or introductions to staff for tenants at these stages.

Discussion took place regarding the remaining WHQS/Housing Management scheme meeting dates, and the future of the 6 sheltered housing schemes identified for possible remodelling. Officers confirmed that the remaining meeting dates for 2016/17 have been placed on the Caerphilly Homes noticeboard in each relevant sheltered housing scheme and reminders will be sent to tenants nearer the date. It was also explained that feasibility studies will be undertaken regarding the 6 schemes identified for possible remodelling and that tenants will be kept informed as developments move forward. A mixture of views regarding potential works have been received to date. These are likely to take place post-2020 if the remodelling works are approved.

In response to a Tenant Representative query, Officers confirmed that although communal areas do not fall under the remit of the WHQS programme (as they are public and not domestic areas), subject to survey outcomes, some work may be carried out on these areas as part of the programme of works. Officers also explained that each sheltered housing scheme would be examined on an individual basis to determine if facilities such as storage sheds, mobility scooter storage and car parking can be provided or improved, and that further discussion will take place with residents regarding works to communal areas.

Concerns were raised regarding the costs of undertaking WHQS to all schemes, and the impact if the survey outcomes indicate that a significant increased expenditure is required. It was explained that the Council has borrowing contingencies in place for such an eventuality.

A query was received regarding the length of time taken to progress the WHQS programme across sheltered housing schemes and it was suggested that there was a lack of tenant confidence regarding the works. It was explained that a Cabinet decision to progress the matter had only recently been taken, with alternatives being examined prior to that time. The Task Group were also advised of the complexities involved in applying the WHQS to sheltered housing schemes, given the split between standard WHQS investment works and possible remodelling options. It was stressed to the Task Group that consideration of the schemes identified for possible remodelling is at a very early stage and that all factors need to be examined before a decision is made on their future.

It was suggested by a Tenant Representative that an Older Persons Group could be set up, consisting of a representative from each sheltered housing complex and allowing an independent tenant voice to be fed into other engagement groups. Officers reminded the Task Group that engagement and consultation with tenants is already being carried out on a scheme by scheme basis. It was agreed that Officers would discuss the specifics of this suggestion with the Tenant Representative following the meeting.

A Member referred to the list of frequently asked questions appended to the report and Officers explained that they were currently compiling a list of responses, which would be published in a future edition of the Caerphilly Homes newsletter.

Having fully considered and discussed the report, the Caerphilly Homes Task Group noted its contents.

6. WHQS PROGRESS REPORT APRIL 2016-SEPTEMBER 2016 (HALF YEAR)

Although not present, it was noted that Miss A. Lewis (Caerphilly Homes Task Group Member) had requested the information item be brought forward for discussion at the meeting.

The report provided an overview of the performance of the WHQS Team from April 2016-September 2016 and details of the capital expenditure programme for 2016-17 for WHQS works. Officers summarised the arrangements that have been put in place to monitor and manage the performance of the WHQS programme for 2016/17, which is carried out via monthly formal WHQS Delivery Team Management Group meetings, the Caerphilly Homes Project Board, and is overseen by the Repairs and Improvements Working Group.

The Task Group noted a significant increase in the internal works survey completion rate during 2016/17 (89.9%) compared to the previous year (70.1%). The internal works survey completion rate is now approaching 60 properties per week, which is well above the rate of works completions.

The current completion rate for internal WHQS works is approaching 40 properties per week, and it is likely that at least 75.5% of the 2016-17 internal works programme will be completed by the end of the financial year based on a straight line projection. The WHQS Team also completed a significant number of internal works against the previous year's programme (2015/16). It was explained that this has resulted in slippage for the current year (currently 125 properties), and so the weekly completions rate will need to increase in order to erode this backlog.

Officers tabled further information which detailed the 2016/17 programme weekly completion rates and annual targets for internal and external works against each area and contractor. This information also included the forward programme targets that have been set for each contractor for the years 2017/18, 2018/19 and 2019/20.

Discussion took place regarding the achievability of the internal works programme by 2020, with it explained that targets have not been set for outside contractors for 2019/20 as it is anticipated that they will complete all internal works before that time. Officers outlined the measures that are in place to deal with underperforming contractors, including being made accountable to the Caerphilly Homes Project Board and the monitoring of their work output against stringent performance targets over a set period. The Task Group were also advised of the procurement provisions that are in place to deal with underperforming contractors, and were reminded of the relatively small percentage of complaints received in respect of the standard of works, given the scale of the WHQS programme across the county borough.

Officers explained that a spike in weekly survey completions in June 2016 had occurred via a combination of staff training and progression of a backlog of survey works. It was noted that the WHQS Team have surveyed 23.8% of the 2017/18 programme and will possibly begin to examine the 2018/19 programme in January/February 2017. Discussion took place regarding the completion targets for each internal works component (such as kitchens and bathrooms) and Officers explained that these are set at a reasonable and realistic level in line with WG guidelines.

The Task Group were also updated on progress in respect of the WHQS external works programme for 2016/17. This includes work on 2,218 properties which will be carried out by outside contractors and represents a 25% increase on last year's programme (1,780 properties). Surveying of the WHQS external works programme for 2016/17 is currently 80.3% complete and 18.5% of the properties within the 2017/18 external works programme have also been surveyed. The WHQS Team has therefore made significant progress to increase the external works survey completion rate. It was explained that the external works programme presents more of a challenge in meeting the 2020 target as some contracts have yet to be implemented, although contingencies are in place to meet this target.

The surveys now allow for an analysis of the nature of the works being undertaken in the 2016/17 programme (10 property elements in total). Details of these were included in the report, together with the percentage of works undertaken, acceptable fails under the WHQS, and works achieved previously (i.e. already compliant with the WHQS). The survey process was discussed by the Task Group, and a Tenant Representative queried the criteria for external works that had been applied to some elements of their home, with it agreed that they would discuss the matter with Officers following the meeting.

The Task Group were updated on tenant satisfaction levels for the internal works programme and compliance with service standards for internal works contracts. Returned surveys to date reveal that the overall satisfaction level for internal works is 93% and that the Council is achieving 88% of the standards measured within the Charter for Trust document. Both key measures have improved on last year's results (86% satisfaction and 83% standards met). An external works satisfaction survey has been prepared but not yet implemented.

Officers also summarised details of the capital expenditure programme for 2016-17 for WHQS works. The WHQS budget for 2016/17 was set at £38.6m and the total expenditure on the WHQS capital programme for the first 6 months of 2016/17 was £12.5m (32% of the total budget). Full details of expenditure against each category of works were outlined within the report.

Officers explained that work is ongoing to establish an indicative average cost/rate per property for internal works which will assist with budget monitoring and financial forecasts. As full works on all 4 key components in a typical property are not required on all remaining properties within the programme, it has been necessary to reduce the average rate to reflect

this and to allow for an element of partial works, previously achieved and acceptable fails. This exercise has been carried out for the Lower Rhymney Valley external contractors (internal works) and has resulted in £1m in reduced commitments for 2016/17 contracts. The Task Group were advised that this saving will remain in the Housing Revenue Account balances to cover existing commitments and funding contingencies moving forward.

The Council's Business Plan currently incorporates the Savills costings for the remainder of the programme to 2019/20, but now needs to be replaced with revised averages to give a more accurate financial position and to confirm the level of funding required, ensuring that the borrowing cap is not breached. A revised programme is also necessary to incorporate any changes necessary to ensure the WHQS completion date is met. Funding for the 2016/17 programme will be met from the Major Repairs Allowance (MRA) and revenue contributions from the HRA. No borrowing has been required to fund the WHQS spend to date. Borrowing is expected to take place in 2017/18 which will be confirmed when the slippage has been identified from 2016/17 and the Business Plan is updated with the revised average costs. The programme will also need to be re-profiled to account for any work that will now be carried out after 2019/20 (such as remodelling).

The Caerphilly Homes Task Group noted the contents of the report.

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

There were no requests received at the meeting.

Discussion took place regarding the feasibility of moving the start time of future meetings to 5.30 p.m. Officers confirmed that arrangements would be made to progress this request accordingly.

Members placed on record their appreciation to the Caerphilly Homes Task Group and Officers for their efforts during 2016, and wished everyone the compliments of the season.

The meeting closed at 6.32 p.m.

Approved as a correct record subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 16th February 2017.

CHAIR

Gadewir y dudalen hon yn wag yn fwriadol



CAERPHILLY HOMES TASK GROUP – 16TH FEBRUARY 2017

SUBJECT: RE-PROFILING OF WHQS PROGRAMME AND HRA CAPITAL PROGRAMME 2017/2018

REPORT BY: CORPORATE DIRECTOR - COMMUNITIES

1. PURPOSE OF REPORT

- 1.1 To advise on changes to the WHQS Programme and set out the HRA Capital Programme budget for 2017/18. The report is seeking the views of the CHTG prior to its presentation to Policy and Resource Scrutiny Committee review and Cabinet approval.

2. SUMMARY

- 2.1 There has continued to be progress and slippage with the WHQS delivery programme during 2016/17. As such it has been necessary to review and update the current delivery programme. The report sets out the proposed changes. The majority of the internal work changes have resulted in work being brought forward in the programme. In regard to the external works programme the majority of the changes have resulted in works being moved to future years.
- 2.2 The sheltered scheme approach has now altered with the works being delivered by the in-house teams. This work has now been built into the forward works programme.
- 2.3 The HRA Capital Programme budget allocates the necessary resources based on the Savills cost plan. Work is underway to amend this approach so that in future it will be based on actual costs being achieved for works undertaken which provides a more realistic projection in relation to the proposed budget expenditure. These figures will be continually reviewed and assessed to provide the most accurate forecast possible for budget planning.

3. LINKS TO STRATEGY

- 3.1 The delivery of the WHQS programme is coterminous with the aims of the Wellbeing of Future Generations (Wales) Act 2015 which requires public bodies to work towards a shared vision comprising 7 goals and adopt the 5 "Ways of Working". The goals and the 5 Ways of Working will underpin the delivery of the programme and include planning and acting for the long term, integration, involvement, collaboration and prevention. The WHQS investment in Council homes to transform lives and communities is a Well Being Objective.
- 3.2 The Welsh Housing Quality Standard is intended to ensure that all local authority and housing association homes are improved and maintained to achieve specified standards. It is a Welsh Government requirement that the WHQS is achieved by 2020.
- 3.3 The Single Integrated Plan 2013-2017 has a priority to "improve standards of housing and communities, giving appropriate access to services across the County Borough".

3.4 The Council's Local Housing Strategy "People, Property, and Places" has the following aims:

"To provide good quality, well managed houses in communities where people want to live, and offer people housing choices which meet their needs and aspirations."

4. THE REPORT

- 4.1 In September 2012 an investment strategy was approved by the Caerphilly Homes Task Group/Cabinet Sub Committee which outlined how the WHQS Programme would be implemented on a community based approach over the period to 2019/20. The work is split between the in house work force and contractors and, with the exception of sheltered housing, there are separate sequences for internal and external works.
- 4.2 As a result of various setbacks which caused major slippage to the programme the investment strategy was reviewed and a revised programme was approved in February 2015. This formed the basis for the 2016/17 Capital Programme and 2016/17 works programme.
- 4.3 During the course of the programme there will inevitably be issues that will impact on its delivery given the volumes of properties and works involved. There are occasions where tenants are unable to proceed with the works due to a variety of reasons e.g. ill health, personal circumstances or simply they may not want the disruption that some of these works can cause. There have also been some issues in relation to contractor performance where outputs have not achieved the expected levels as well as encountering unforeseen additional work. These factors can all give rise to delays with the programme and subsequent slippage.
- 4.4 It is envisaged that the WHQS delivery programme will be reviewed and amended annually to take into account any slippage that occurs. The re-profiling of the programme will result in changes to the community sequences. A number of areas will benefit as they will be pulled forward in the programme whereas some will slip back. The end date of March 2020 remains unchanged.
- 4.5 The internal works are currently on programme with some minor slippage. There are currently no major concerns with the delivery of the internal works programme with current projections anticipating completion prior to 2020 with the work profile projection a significant reduction in the number of completions required for the last year.
- 4.6 The external works programme has been subject to major implementation delays over previous years. There are currently contracts in place for the East area (Small Lots) and the Upper Rhymney Valley (Framework arrangement). Unfortunately progress during 2016/17 has not been as good as expected due to a variety of factors such as contractors ceasing to trade, contractors withdrawing from contracts or not pricing available tenders.
- 4.7 There is still no main contract in place for external works in the Lower Rhymney Valley (LRV). It is intended to have a suitable contract in place ready to start issuing works as of April 2017. Some work has however commenced via ad-hoc tender arrangements and grant funded schemes such as Arbed, ECO.
- 4.8 Given the various issues and delays that have occurred over previous years, options for contingency arrangements are currently being progressed. It is envisaged that these contingency arrangements will be in place to utilise during 2017/18.
- 4.9 Works are continuing to the blocks of flats in the LRV through the Private Sector Housing Team. There has been some good progress with these works during 2016/17. It is proposed that Private Sector Housing expand their involvement to managing all the leaseholder properties throughout the borough to ensure the statutory leaseholder consultation processes do not hold up progress with the general programme contracts.

- 4.10 The previous re-profiling report identified that the sheltered housing schemes were proposed to be procured via a Managed Service provider. This has subsequently changed as reported to the Caerphilly Homes Task Group on 7 September 2016. These works are now being delivered wholly in-house. Good progress has been made with the surveying and works are programmed to commence in April 2017. Meetings have also been held or are planned at each of the schemes in the 2017/18 sheltered housing programme to advise tenants on the timing and likely extent of works and the process that will be followed.
- 4.11 Taking account of various factors impacting on the programme a revised profile is shown in the table below. Note that this includes the Sheltered schemes. The in-house DLO will be delivering both the internal and external works as a whole property approach for the sheltered schemes similar to that which they employed for the Rowan Place contract.
- 4.12 The programme profile assumes that the number of properties for either internal or external works will be delivered in the year shown and provides the basis for planning. However the reality is that this will never be the case on the ground and adjustments will inevitably arise between the years for a variety of reasons. An overriding concern is to limit the amount of slippage as the scope to catch up in the last year is limited. Slippage from previous years has been 'built in' to the forward work programme below:-

Revised Property Profile

Year	Internal Work	External Work
2016/17	1845	1221
2017/18	2618	4675
2018/19	1685	2579
2019/20	603	2001

- 4.13 The average rate of weekly completions for internal works has improved from around 30 properties per week during 2015/16 to approximately 44 properties during 2016/17 (up to and including week 36). This is currently just below the annual target of 47 per week. Officers are working closely with the contractors and in-house teams to maintain these high levels of productivity and further improve where possible without impacting on quality. There can therefore be some confidence that the internal works can be completed by March 2020.
- 4.14 For external works the required average weekly rate of completions is 24 for 2016/17. Currently the programme is falling short with only 18 contracts including 847 properties completed to date. A further 229 properties have had external wall insulation works undertaken. It needs to be noted that there are currently works ongoing to around 1000 properties with further contracts being progressed to both award and tender stages. Note that external completions will be measured on the basis of contracts rather than individual properties due to the nature of the works and how they are organised. The figure provided in the revised property profile above for 2016/17 is therefore estimated with slippage built into future years.
- 4.15 The revised property profile will result in various amendments to the sequence of community areas. The new proposed sequence is detailed in Appendix 1 including the profiled investment. For internal works the alterations are not significant and where changes are proposed these will generally result in works being undertaken earlier in the programme. For external works the impact of slippage is more apparent with the majority of changes resulting in community areas being pushed back. The major impact is on the Lower Rhymney Valley due to the need to implement a new contract arrangement. The sheltered housing programme is provided in Appendix 2 for information.

- 4.16 The expenditure estimates in previous years have been derived from the Savills cost plan so have to be treated with some caution as experience has shown significant variances with actual costs. The estimates shown in Appendix 1 are still based on Savills costs, however, analysis is currently being undertaken utilising average outturn costs from one of the area contractors. This is being further refined for the other two contractors undertaking the internal works. There will continue to be regular reviews of the cost plan based on trend data from valuations and tender prices. The external estimates are also still based on Savills estimates. At present there have been insufficient final account data to establish baseline actual costs that could be used to undertake financial projections. The latest assessment suggests that the programme currently remains within the limits of affordability set by the HRA business plan.
- 4.17 The HRA capital programme 2017/18 is shown in Appendix 3. As well as the programme renewals provision is included for adaptations undertaken on a response basis, major repairs to voids prior to re-letting incorporating WHQS works, and the continuation of the improvement programme to the HRA garages.
- 4.18 Energy efficiency measures continue to be explored and implemented where possible. Works are currently ongoing in Lansbury Park. These works will continue into 2017/18. There are indications that further funding assistance may become available during 2017/18. This will be monitored and should suitable funding opportunities be identified applications for access to these funds will be made.
- 4.19 Due to the ongoing variances to the budget a contingency sum has been included. Given the size of the programme and the unknown work content this contingency sum is a best assessment based on the knowledge to date.

5. WELLBEING OF FUTURE GENERATIONS

- 5.1 The delivery of the WHQS improvement programme is coterminous with the aims of the wellbeing of Future Generations (Wales) act 2015, in particular:-
- **Long Term:** the report includes the continued investment to achieve WHQS by 2020. This investment provides long term improvements to the property, community and to the tenants well being.
 - **Integration:** The programme looks to integrate property and environmental improvements that will benefit and transform lives and communities throughout the borough. It further brings together a variety of stakeholders to deliver long term sustainable benefits for lives and communities.
 - **Involvement:** Tenants and local residents are being consulted on the proposed property improvements, environmental works along with various initiatives that are part of the WHQS programme delivery.
 - **Collaboration:** The programme delivery is focussed on internal collaboration, partnerships with suppliers and contractors, joint working with the community and various groups. The delivery of community benefits and tenant engagement by all involved with the WHQS programme is a key focus and is clearly demonstrable within its delivery.
 - **Prevention:** The works to improve lives and communities will help tackle local unemployment. It will further improve the look and feel of the environment and help prevent anti social behaviour.

6. EQUALITIES IMPLICATIONS

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

7. FINANCIAL IMPLICATIONS

- 7.1 The budget estimate for the overall programme for 2017/18 is £52.3m. The budget estimate for the programme renewals is £41m which is currently based on the Savills cost plan for external works and internal works. Some initial work has been completed on assessing the actual outturn costs against Savills budget estimates and including an adjustment based on properties that are "previously achieved". This work is being further developed and will be included in the reassessment of the budget cost plan in the coming months.
- 7.2 Based on the budget estimate the works programme for 2017/18 will require an average expenditure for the direct works programme of approximately £790k per week.
- 7.3 There are indications of possible cost escalation based on the amount of properties experiencing damp that are being identified. Further detailed investigations are ongoing at a number of locations to identify the possible solutions and likely costs involved.
- 7.4 There are indications that there may be grant funding opportunities available from Welsh Government (WG) in relation the external wall insulation (EWI) works in 2017/18. If this funding is available, depending on the criteria set, it may assist in addressing some of the fuel poverty issues that are apparent within the authority.
- 7.5 ECO grant funding is already being utilised at Lansbury Park in relation to EWI works, where Eon have recently commenced work. This grant assisted work has now received WG approval to be extended into 2017/18. Officers are considering options to maximise this funding and ensure continuity of works on site for the contractor which will limit disruption to the tenants with only having to deal with one visit from one contractor rather than multiple stop/start activities due to the programing sequencing that could otherwise result.

8. PERSONNEL IMPLICATIONS

- 8.1 The timetable pressure is increasing and there has to be the capacity within the staff resources to cope with the volume of work. Staff movement and recruitment difficulties remain a risk to the programme and have continued to be an issue during 2016/17.
- 8.2 There has been a Cabinet decision during 2016/17 to undertake WHQS improvements to the sheltered housing schemes with in-house resources. This requires an increase in resources across the spectrum from Assistant Project Managers to manual workforce including all the relevant technical and administration support required to deliver this element of the programme. Resources will be increased incrementally as required to manage this increase in workload up to 2020.

- 8.3 Elements of the programme have also been allocated to third parties as a means to spread the risk and create extra capacity. These relate to the HRA garages and the proposed re-modelling of a number of sheltered schemes allocated to Building Consultancy and the external works to various leaseholder properties throughout the authority being allocated to the Private Sector Housing Team.

9. CONSULTATIONS

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

10. RECOMMENDATIONS

- 10.1 The CHTG note the contents of the report prior to the report being forwarded to the Policy and Resources Scrutiny Committee and Cabinet.

11. REASON FOR RECOMMENDATIONS

- 11.1 To inform the Task Group of proposed changes to the WHQS Programme and the HRA Capital Programme for 2017/18.

12. STATUTORY POWER

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

Author:	Marcus Lloyd – WHQS and Infrastructure Strategy Manager (Tel: 01443 866754/Email: lloyd1@caerphilly.gov.uk)
Consultees:	Cllr Dave V Poole - Deputy Leader and Cabinet Member for Housing Cllr Barbara Jones - Deputy Leader and Cabinet Member for Corporate Services Christina Harrhy - Corporate Director Communities Nicole Scammell - Acting Director of Corporate Services and S151 Officer Shaun Couzens - Chief Housing Officer Lesley Allen - Principal Accountant Rhys Lewis - Systems and Performance Manager Jane Roberts Waite - Strategic Co-ordination Manager Gail Williams - Interim Head of Legal Services & Monitoring Officer Elizabeth Lucas - Head of Procurement Kenyon Williams - Private Sector Housing Manager Fiona Wilkins - Public Sector Housing Manager Paul Smythe - Housing Repair Operations Manager Colin Roden - WHQS Project Manager Alan Edmunds - WHQS Project Manager Steve Greedy - WHQS Project Manager

- Appendix 1: Re-profiled Investment Strategy
Appendix 2: Sheltered Housing Programme
Appendix 3: HRA Capital Programme 2017/18

WHQS Programme - Year 2016/17 – Savills' Costs				
Community	Internal Components £		External Components £	
	CONTRACTOR £	IN-HOUSE £	CONTRACTOR £	IN-HOUSE £
Eastern Valleys	4318750	1433500	399900	0
MARKHAM-HOLLYBUSH	598600			
OAKDALE	700200			
PENLLWYN LOWER	669150			
SPRINGFIELD	1951200			
TRINANT			102400	
TWYN GARDENS	399600			
TY-SIGN UPPER		1433500	297500	
Lower Rhymney Valley	4164700	1925400	131675	0
ABERTRIDWR	1366350			
BEDWAS	248350			
CHURCHILL PARK	1243950			
GRAIG Y RHACCA		1925400		
LLANBRADACH	782100			
NANTDDU	523950			
PENYRHEOL LOWER			20750	
PENYRHEOL UPPER			70750	
THOMASVILLE			32275	
TY ISAF			4900	
TY NANT			3000	
Upper Rhymney Valley	2614750	1000700	7025975	0
ABERBARGOED LOWER	450850			
ABERBARGOED MIDDLE	739600			
ABERTYSSWG			527520	
BRITHDIR	77400			
CEFN HENGOED			2400	
DERI	51200			
GELLIGAER			4013380	
GILFACH PHASE 1	401400			
GILFACH PHASE 2	563550			
MAES MABON		1000700		
NEW TREDEGAR			241680	
PONTLOTTYN			2240995	
TIRPHIL	330750			
Annual Total	11098200	4359600	7557550	0

WHQS Programme - Year 2016/17 - Property Numbers				
Community	Internal Components No.s		External Components No.s	
	CONTRACTOR	IN-HOUSE	CONTRACTOR	IN-HOUSE
Eastern Valleys	478	226	221	0
MARKHAM-HOLLYBUSH	77			
OAKDALE	73			
PENLLWYN LOWER	71			
SPRINGFIELD	220			
TRINANT			207	
TWYN GARDENS	37			
TY-SIGN UPPER		226	14	
Lower Rhymney Valley	429	265	100	0
ABERTRIDWR	133			
BEDWAS	22			
CHURCHILL PARK	146			
GRAIG Y RHACCA		265		
LLANBRADACH	76			
NANTDDU	52			
PENYRHEOL LOWER			10	
PENYRHEOL UPPER			33	
THOMASVILLE			25	
TY ISAF			7	
TY NANT			25	
Upper Rhymney Valley	299	148	900	0
ABERBARGOED LOWER	47			
ABERBARGOED MIDDLE	88			
ABERTYSSWG			51	
BRITHDIR	8			
CEFN HENGOED			33	
DERI	5			
GELLIGAER			395	
GILFACH PHASE 1	41			
GILFACH PHASE 2	71			
MAES MABON		148		
NEW TREDEGAR			123	
PONTLOTTYN			298	
TIRPHIL	39			
Annual Total	1206	639	1221	0

WHQS Programme - Year 2017/18 – Savills' Costs				
Community	Internal Components £		External Components £	
	CONTRACTOR £	IN-HOUSE £	CONTRACTOR £	IN-HOUSE £
Eastern Valleys	6681950	2402500	2548571	411450
BLACKWOOD			87300	
BLACKWOOD (SHELTERED)		326550		20800
BRITANNIA			287800	
CEFN FFOREST (SHELTERED)		268750		166500
CROESPENMAEN	266950			
CROSSKEYS	828700			
CWMCARN	1000500			
FAIRVIEW			96150	
FLEUR-DE-LYS			139300	
GELLIGROES	280850			
LLANFACH			4000	
MORRISVILLE			59100	
NEWBRIDGE	638500			
PANTSIDE LOWER			201950	
PANTSIDE LOWER (SHELTERED)				144150
PANTSIDE UPPER			31050	
PENGAM			40250	
PENLLWYN LOWER			69100	
PENLLWYN UPPER		1400350	350746	
PENTWYNMAWR	363950			
PERSONDY			4850	
PONTYMISTER			305045	
PONTYWAUN			127110	
RISCA			200920	
TRELYN UPPER			378100	
TREOWEN	108500			
TRINANT	1943550			
TRINANT (SHELTERED)		181900		80000
TY-SIGN LOWER	1250450			
TY-SIGN LOWER (SHELTERED)		224950		
WATTSVILLE			61150	
WESTEND			104650	
Lower Rhymney Valley	4341650	1424600	7797405	778670
BEDWAS	1376800		2232700	8500
BEDWAS (SHELTERED)		331450		127600
BRYNCENYDD			59110	
CAERBRAGDY		222400		
CHURCHILL PARK			138650	
CHURCHILL PARK (SHELTERED)		360100		8000
CLAUDE ROAD	670900			634570
HEOL TRECASTELL	564450			
LANSBURY PARK			4477415	
LLANBRADACH			27890	

MACHEN		510650		
PENYRHEOL LOWER			224100	
PENYRHEOL UPPER			49750	
PORSET PARK	1283200			
PWLLYPANT			42670	
RUDRY	163700		49130	
SENGHENYDD			128080	
TRAPWELL	112100		48160	
TRECENYDD			301730	
WAUNFACH	170500		18020	
Upper Rhymney Valley	4086200	4401100	6568691	268520
ABERBARGOED LOWER			39765	
ABERBARGOED MIDDLE			110390	
ABERBARGOED UPPER	1980750			
ABERTYSSWG		375850		
BARGOED			139250	
CEFN HENGOED		478500		
DERI			55650	
DERI (SHELTERED)				97050
FOCHRIW			1774120	
GELLIGAER		2737700		
GELLIGAER (SHELTERED)		262950		8450
GILFACH LOWER			191860	
GILFACH PHASE 1			821150	
GILFACH PHASE 2	830700		825490	
GILFACH PHASE 3	1274750			
HENGOED			423986	
MAESYCWMMER			390610	
MAESYCWMMER (SHELTERED)		321400		69520
NEW TREDEGAR (SHELTERED)		224700		37500
RHYMNEY NORTH			1796420	
RHYMNEY SOUTH (SHELTERED)				56000
Annual Total	15109800	8228200	16914667	1458640

WHQS Programme - Year 2017/18 - Property Numbers				
Community	Internal Components No.s		External Components No.s	
	CONTRACTOR	IN-HOUSE	CONTRACTOR	IN-HOUSE
Eastern Valleys	692	294	1402	123
BLACKWOOD			136	
BLACKWOOD (SHELTERED)		37		39
BRITANNIA			83	
CEFN FFOREST (SHELTERED)		25		26
CROESPENMAEN	29			
CROSSKEYS	89			
CWMCARN	104			
FAIRVIEW			31	
FLEUR-DE-LYS			46	
GELLIGROES	28			
LLANFACH			24	
MORRISVILLE			12	
NEWBRIDGE	65			
PANTSIDE LOWER			201	
PANTSIDE LOWER (SHELTERED)				31
PANTSIDE UPPER			77	
PENGAM			28	
PENLLWYN LOWER			71	
PENLLWYN UPPER		183	253	
PENTWYNMAWR	35			
PERSONDY			29	
PONTYMISTER			152	
PONTYWAUN			20	
RISCA			101	
TRELYN UPPER			96	
TREOWEN	11			
TRINANT	207			
TRINANT (SHELTERED)		20		27
TY-SIGN LOWER	124			
TY-SIGN LOWER (SHELTERED)		29		
WATTSVILLE			30	
WESTEND			12	
Lower Rhymney Valley	497	148	1403	226
BEDWAS	149		262	31
BEDWAS (SHELTERED)		29		30
BRYNCENYDD			41	
CAERBRAGDY		24		
CHURCHILL PARK			70	
CHURCHILL PARK (SHELTERED)		32		33
CLAUDE ROAD	70			132
HEOL TRECASTELL	57			
LANSBURY PARK			328	
LLANBRADACH			91	

MACHEN		63		
PENYRHEOL LOWER			128	
PENYRHEOL UPPER			23	
PORSET PARK	179			
PWLLYPANT			38	
RUDRY	15		22	
SENGHENYDD			137	
TRAPWELL	10		16	
TRECENYDD			225	
WAUNFACH	17		22	
Upper Rhymney Valley	461	526	1361	160
ABERBARGOED LOWER			51	
ABERBARGOED MIDDLE			88	
ABERBARGOED UPPER	217			
ABERTYSSWG		51		
BARGOED			136	
CEFN HENGOED		61		
DERI			5	
DERI (SHELTERED)				25
FOCHRIW			156	
GELLIGAER		315		
GELLIGAER (SHELTERED)		31		32
GILFACH LOWER			120	
GILFACH PHASE 1			74	
GILFACH PHASE 2	107		178	
GILFACH PHASE 3	137			
HENGOED			94	
MAESYCWMMER			75	
MAESYCWMMER (SHELTERED)		36		37
NEW TREDEGAR (SHELTERED)		32		33
RHYMNEY NORTH			384	
RHYMNEY SOUTH (SHELTERED)				33
Annual Total	1650	968	4166	509

WHQS Programme - Year 2018/19 – Savills' Costs				
Community	Internal Components £		External Components £	
	CONTRACTOR £	IN-HOUSE £	CONTRACTOR £	IN-HOUSE £
Eastern Valleys	2757850	2449600	5955633	869400
ABERCARN (SHELTERED)		359950		247450
BLACKWOOD		893250	372058	
CEFN FFOREST			1086310	
GELLIGROES (SHELTERED)		297500		420000
PENLLWYN UPPER		596250		
PENTWYNMAWR (SHELTERED)		159700		116200
PONTYMISTER	1423550			
PONTYWAUN	211700			
RISCA	894050			
TWYN GARDENS			132850	
TY-SIGN UPPER			4364415	
WATTSVILLE (SHELTERED)		142950		85750
YNYSDDU-CWMFELINFACH	228550			
Lower Rhymney Valley	3507750	906650	5274975	240500
CAERBRAGDY			50000	
CHURCHILL PARK			240420	
LANSBURY PARK			3178900	
MACHEN			135080	
PENYRHEOL LOWER	1073050			
PENYRHEOL LOWER (SHELTERED)		259200		81000
PENYRHEOL UPPER	2434700		1206050	
THOMASVILLE			84200	
TRETHOMAS			372875	
TRETHOMAS (SHELTERED)		647450		159500
TY NANT			7450	
Upper Rhymney Valley	1935700	2857100	2802835	351600
ABERBARGOED UPPER			199815	
BARGOED		1301500		
BARGOED (SHELTERED)		164100		151650
CASCADE			18240	
CEFN HENGOED			162520	
FOCHRIW		1058300		
GILFACH LOWER	1056050			
GILFACH PHASE 1 (SHELTERED)		333200		199950
GILFACH PHASE 3			2244890	
MAESYCWMMER	758100			
PENPEDAIRHEOL	79700		17800	
PENYBRYN	41850		250	
TIRYBERTH			12350	
YSTRAD MYNACH			146970	
Annual Total	8201300	6213350	14033443	1461500

WHQS Programme - Year 2018/19 - Property Numbers				
Community	Internal Components No.s		External Components No.s	
	CONTRACTOR	IN-HOUSE	CONTRACTOR	IN-HOUSE
Eastern Valleys	293	303	832	121
ABERCARN (SHELTERED)		38		40
BLACKWOOD		117	134	
CEFN FFOREST			332	
GELLIGROES (SHELTERED)		30		31
PENLLWYN UPPER		70		
PENTWYNMAWR (SHELTERED)		27		28
PONTYMISTER	150			
PONTYWAUN	20			
RISCA	101			
TWYN GARDENS			37	
TY-SIGN UPPER			329	
WATTSVILLE (SHELTERED)		21		22
YNYSDDU-CWMFELINFACH	22			
Lower Rhymney Valley	459	93	865	96
CAERBRAGDY			24	
CHURCHILL PARK			100	
LANSBURY PARK			232	
MACHEN			78	
PENYRHEOL LOWER	136			
PENYRHEOL LOWER (SHELTERED)		31		32
PENYRHEOL UPPER	323		282	
THOMASVILLE			12	
TRETHOMAS			127	
TRETHOMAS (SHELTERED)		62		64
TY NANT			10	
Upper Rhymney Valley	195	342	611	54
ABERBARGOED UPPER			226	
BARGOED		135		
BARGOED (SHELTERED)		21		22
CASCADE			18	
CEFN HENGOED			106	
FOCHRIW		155		
GILFACH LOWER	108			
GILFACH PHASE 1 (SHELTERED)		31		32
GILFACH PHASE 3			146	
MAESYCWMMER	75			
PENPEDAIRHEOL	8		9	
PENYBRYN	4		4	
TIRYBERTH			44	
YSTRAD MYNACH			58	
Annual Total	947	738	2308	271

WHQS Programme - Year 2019/20 – Savills' Costs				
Community	Internal Components £		External Components £	
	CONTRACTOR £	IN-HOUSE £	CONTRACTOR £	IN-HOUSE £
Eastern Valleys	0	2037700	1962645	484780
BLACKWOOD		1196150		
CROSSKEYS			569140	
CROSSKEYS (SHELTERED)		286850		13250
CWMCARN			279860	
NEWBRIDGE			29935	
NEWBRIDGE (SHELTERED)		221350		175250
PONTYMISTER (SHELTERED)		129000		82500
TREOWEN			6490	
TY-SIGN LOWER			1077220	
TY-SIGN LOWER (SHELTERED)				45540
YNYSDDU-CWMFELINFACH (SHELTERED)		204350		168240
Lower Rhymney Valley	0	294700	1089055	103100
BEDWAS (SHELTERED)		294700		103100
GRAIG Y RHACCA			403915	
PORSET PARK			685140	
Upper Rhymney Valley	0	2465450	1721775	267950
ABERTYSSWG (SHELTERED)		156750		266200
MAES MABON			20625	
NELSON			5250	
NELSON (SHELTERED)		261500		1750
NEW TREDEGAR		895000		
PHILLIPSTOWN		1152200		
RHYMNEY SOUTH			1695900	
Annual Total	0	4797850	4773475	855830

WHQS Programme - Year 2019/20 - Property Numbers				
Community	Internal Components No.s		External Components No.s	
	CONTRACTOR	IN-HOUSE	CONTRACTOR	IN-HOUSE
Eastern Valleys	0	243	508	124
BLACKWOOD		153		
CROSSKEYS			167	
CROSSKEYS (SHELTERED)		38		39
CWMCARN			120	
NEWBRIDGE			72	
NEWBRIDGE (SHELTERED)		21		22
PONTYMISTER (SHELTERED)		12		13
TREOWEN			11	
TY-SIGN LOWER			138	
TY-SIGN LOWER (SHELTERED)				30
YNYSDDU-CWMFELINFACH (SHELTERED)		19		20
Lower Rhymney Valley	0	31	632	32
BEDWAS (SHELTERED)		31		32
GRAIG Y RHACCA			405	
PORSET PARK			227	
Upper Rhymney Valley	0	329	641	64
ABERTYSSWG (SHELTERED)		30		31
MAES MABON			148	
NELSON			47	
NELSON (SHELTERED)		32		33
NEW TREDEGAR		108		
PHILLIPSTOWN		159		
RHYMNEY SOUTH			446	
Annual Total	0	603	1781	220

WHQS Programme - Year 2020/25 – Savills' Costs				
Community	Internal Components £		External Components £	
	CONTRACTOR £	IN-HOUSE £	CONTRACTOR £	IN-HOUSE £
Eastern Valleys	1848050	0	1770925	0
CROESPENMAEN (SHELTERED)	354500		216900	
CROSSKEYS (SHELTERED)	236500		372470	
PONTYWAUN (SHELTERED)	547850		787900	
RISCA (SHELTERED)	521450		271390	
SPRINGFIELD (SHELTERED)	187750		122265	
Annual Total	1848050	0	1770925	0

WHQS Programme - Year 2020/25 - Property Numbers				
Community	Internal Components No.s		External Components No.s	
	CONTRACTOR	IN-HOUSE	CONTRACTOR	IN-HOUSE
Eastern Valleys	192	0	198	0
CROESPENMAEN (SHELTERED)	33		34	
CROSSKEYS (SHELTERED)	22		23	
PONTYWAUN (SHELTERED)	55		56	
RISCA (SHELTERED)	63		65	
SPRINGFIELD (SHELTERED)	19		20	
Annual Total	192	0	198	0

SHELTERED HOUSING PROGRAMME

2017/2018

Ty Bedwellty (26 units)	- Under one roof.
Palmer Place/Gibbs Close (39 units)	- Self contained lounge, separate communal
Horeb Court (21 units)	- Bungalows & flats with communal
St Peters Close (30 units)	- Bungalows & communal
Y Glyn (37 units)	- Bungalows & flats with communal
Ysgwyddgwyn (25 units)	- Bungalows, flats & communal.
Waun Rhydd (32 units)	- Bungalows & flats with communal
Glyn Syfi (33 units)	- Bungalows with separate communal
St Clares (33 units)	- Bungalows with communal.
Glynderw (33 units)	- Bungalows with communal
The Willows (30 units)	- Bungalows with communal

2018/2019

Gwyddon Court (40 units)	- Under one roof & outside flats
Ty Mynyddislwyn (31 units)	- Under one roof
Woodland View (22 units)	- Flats & communal.
Maesteg (28 units)	- Flats, bungalows and communal
Oaklands (32 units)	- Bungalows & communal
St Gwladys (22 units)	- Under one roof & flats.
Pleasant Place (32 units)	- Bungalows & communal
Grove 1 (32 units)	- Bungalows & communal
Grove 2 (32 units)	- Bungalows & communal

2019/2020

Highfield Court (23 units)	- Under one roof
Alexander Court (20 units)	- Under one roof
Ty Isaf (13 units)	- Under one roof
Tredeggar Close (39 units)	- Under one roof & Tredeggar St Flats
Hafod Y Bryn (30 units)	- Flats & communal
Prospect Place (31 units)	- Bungalows & communal
Heol Islwyn (33 units)	- Bungalows & communal
Greenacres (32 units)	- Bungalows & communal

Appendix 3

<u>HRA CAPITAL PROGRAMME</u>		Budget Savills) 2017/18	Budget (Savills) 2018/19	Budget (Savills) 2019/20
In House	Internals	8,228,200	6,213,350	4,797,850
	Externals	1,458,640	1,461,500	855,830
Contractor	Internals	15,109,800	8,201,300	-
	Externals	16,258,310	14,689,800	4,773,475
Direct Works Programme		41,054,950	30,565,950	10,427,155
<u>Other</u>				
Contingency (direct works)		4,105,495	3,056,595	1,042,716
Env works		3,600,000	3,600,000	3,600,000
Adaptations		800,000	800,000	800,000
Voids		1,000,000	1,000,000	1,000,000
Garages		500,000	500,000	500,000
Fees		1,800,000	1,800,000	1,800,000
		11,805,495	10,756,595	8,742,716
TOTAL		52,860,445	41,322,545	19,169,871

Gadewir y dudalen hon yn wag yn fwriadol



CAERPHILLY HOMES TASK GROUP –16TH FEBRUARY 2017

SUBJECT: WHQS ENVIRONMENTAL PROGRAMME

REPORT BY: CORPORATE DIRECTOR – COMMUNITIES

1. PURPOSE OF REPORT

1.1 To provide a high level overview of the WHQS environmental programme for information.

2. SUMMARY

- 2.1 Following the ballot in February 2012, the Council agreed that it would deliver the promises made in its Offer Document to tenants and deliver the Welsh Housing Quality Standard by March 2020. The Council also agreed that its capital investment in homes would deliver social outcomes to 'transform lives and communities'.
- 2.2 Part of the commitment to deliver the WHQS across all 10,865 homes also includes a requirement to comply with Part 6 which aims to ensure that 'all dwellings should be located in an environment to which residents can relate and in which they can be proud to live'.
- 2.3 £10.6m has been set aside in the business plan agreed with Welsh Government specifically for this purpose.
- 2.4 Three Environmental Officers were recruited to work with the Area Housing teams and local members in order to initially identify environmental maintenance / repair issues. The issues were identified and collated into a single spreadsheet with each project being detailed in a proforma.
- 2.5 Over 300 projects have been identified across the county borough to date and colleagues across several departments have become involved in providing support and advice, with many projects requiring specialist input from Highways, Waste and Parks Services in order to assess feasibility and options.

3. LINKS TO STRATEGY

- 3.1 The Welsh Housing Quality Standard (WHQS) is intended to ensure that all local authority and housing association homes are improved and maintained to specified standards.
- 3.2 The Council is committed to ensuring that the WHQS investment transforms not only homes but also lives and communities.
- 3.3 The Council's Local Housing Strategy "People, Property, and Places" has the following aim:

"To provide good quality, well managed houses in communities where people want to live, and offer people housing choices which meet their needs and aspirations."

- 3.4 The delivery of the WHQS environmental programme is coterminous with the aims of the Council's Single Integrated Plan 2013-2017 which aims to 'improve standards of housing and communities, giving appropriate access to services across the county borough' and the recently approved, Caerphilly Poverty Strategy 2015.
- 3.5 The delivery of the WHQS environmental programme is coterminous with the aims of the Wellbeing of Future Generations (Wales) Act 2015 which requires public bodies to work towards a shared vision comprising 7 goals and adopt the 5 "Ways of Working". The goals and the 5 Ways of Working will underpin the delivery of the programme and include planning and acting for the long term, integration, involvement, collaboration and prevention.
- 3.6 Delivery of the WHQS environmental programme links directly with the goal identified in the Future Generations Act to create a more prosperous Wales through helping to indirectly create new employment opportunities in the environmental sector as a result of the improvements undertaken via the programme.
- 3.7 The proposal relates directly to the ambition to create a resilient Wales and will create and enhance the natural environment thereby creating and enhancing new habitats and ecosystems which support the social, economic and ecological resilience of the local area.
- 3.8 The proposal is coterminous with the goal to create healthier communities through improving the immediate environment within communities, creating safer communities, increasing accessibility to the environment and through projects that promote the relationship between the outdoors and positive mental health and well being.
- 3.9 It will directly assist in the development of cohesive communities through the delivery of environmental improvements that increase the attractiveness, viability, connectivity and safety of communities. It will support the ongoing creation of a vibrant Welsh culture through promoting and protecting heritage and the unique Welsh environment; it will contribute towards the development of a globally responsive Wales through protecting and enhancing the environment, creating new habitats, protecting indigenous flora and fauna and through creating new opportunities for employment and enjoyment within an environmental context.

4. THE REPORT

- 4.1 In February 2012 tenants voted overwhelmingly for the Council to retain its housing stock as opposed to transferring its homes to a registered social landlord. As a result the Council made an ambitious commitment to utilise its £200m capital investment not only to transform homes but also lives and communities. It also committed to utilising £10.6m of the total investment to deliver an environmental programme that would ensure that all homes 'are located in an environment to which residents can relate and in which they can be proud to live' (Welsh Housing Quality Standard, Part 6).
- 4.2 Part 6 specifies that 'all opportunities should be taken to make improvements to the immediate environment (within the property boundary) and to the general environment' and that consultation with residents and external audits can be used to inform the process.
- 4.3 Welsh Government has suggested that the following key elements must be taken into consideration by organisations seeking to deliver the standard:
- Attractive environments
 - Safe environments
 - Environments that people can relate to
 - Environments that people can feel proud of

- 4.4 To date, the three Environmental Officers employed to deliver the environmental programme have concentrated on identifying low level environmental requirements. This is largely due to a decision that was taken by the WHQS Project Board to focus initially on small scale environmental maintenance and improvements to housing estates that would have been previously raised by tenants, officers or members or highlighted by the area housing managers. Some of these environmental works are required to address health and safety issues, anti-social behaviour or security, as well as making general improvements to the overall aspect of our estates.
- 4.5 In the last 12 months over 300 projects have been identified by the officers. On balance, approximately 50% are considered to be maintenance related and 50% are new projects such as additional car parking, street lighting, paving etc.
- 4.6 A significant number of projects relate to car parking provision, works adjacent to the highway, street lighting and speed ramps and therefore need to be referred to colleagues in Highways / Engineering to consider feasibility, options and design work. In some cases it has also been necessary to seek advice from colleagues in Planning to determine whether a planning application is necessary.
- 4.7 The future maintenance of projects has also been a key consideration as there is no budget from which to fund additional maintenance costs for new proposals.
- 4.8 It has also been necessary to package works together where possible in order to ensure that they are undertaken by the appropriate department and/or contractors.
- 4.9 Projects have been identified across the county borough and in all communities. Overall, circa 100 projects have been considered to date and are in the process of being progressed. The remainder will be considered and progressed where possible by the end of the 16/17 financial year and a comprehensive report produced in late Spring 2017.
- 4.10 Projects have been identified initially by the Environmental Officers through conversations with local ward members, Area Housing Managers and Estate Management Officers who frequently identify maintenance and improvement issues that may have been brought to their attention by tenants.
- 4.11 Moving forward, the Environmental Officers will continue to have conversations with elected members and members of the area management teams in order to identify projects however, they will also be developing a consultation programme during the final quarter of 2016/17 to engage with communities throughout the county borough and ensure that any projects identified and approved are delivered by the 2019/20 deadline. The programme will feature within the comprehensive report planned for late Spring 2017.

5. WELL-BEING OF FUTURE GENERATIONS

- 5.1 The WHQS environmental programme contributes to the Well-being Goals as set out in Links to Strategy above. It is consistent with the five ways of working as defined within the sustainable development principle in the Act as outlined in section 3.

6. EQUALITIES IMPLICATIONS

- 6.1 This is an information report; therefore there are no potential equality implications and no requirement to complete a full Equalities Impact Assessment.

7. FINANCIAL IMPLICATIONS

- 7.1 £10.6m has been identified within the WHQS business plan to support the delivery of the environmental programme. An update on expenditure will be provided in a further report planned to be submitted in late Spring 2017 as currently projects are in the process of being undertaken with many others at the feasibility and design stage so expenditure to date is limited.

8. PERSONNEL IMPLICATIONS

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

9. CONSULTATIONS

- 9.1 Responses from consultees have been incorporated within this report.

10. RECOMMENDATIONS

- 10.1 The report is for information only. Members are asked to note the contents.

11. REASONS FOR THE RECOMMENDATIONS

- 11.1 To advise members of the current position in respect of the delivery of Part 6 of the Welsh Housing Quality Standard.

12. STATUTORY POWER

- 12.1 Housing Acts 1985, 1996, 2004, 2014 and Local Government Act 2000.

Author: Jane Roberts-Waite, Strategic Coordination Manager

Consultees: Cllr David Poole - Deputy Leader and Cabinet Member for Housing
Christina Harrhy - Corporate Director – Communities
Shaun Couzens - Chief Housing Officer
Fiona Wilkins - Public Sector Housing Manager
Marcus Lloyd - WHQS and Infrastructure Strategy Manager
Mandy Betts - Tenant and Community Involvement Manager



CAERPHILLY HOMES TASK GROUP – 16TH FEBRUARY 2017

SUBJECT: LEASEHOLDER CHARGES

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

- 1.1 The attached report, which responded to a Member's request for further information on leaseholder legislation, process and good practice, was considered by the Policy and Resources Scrutiny Committee on 17th January 2017.
- 1.2 Members were informed that currently 417 flats within the Council's housing stock are now owned by leaseholders, following their sale under the Right to Buy (RTB) scheme. The Council has continuing responsibilities to maintain the external structure and communal areas of the blocks of flats. The Scrutiny Committee noted the leaseholder procedures in respect of these properties, which are in line with legislation and national guidance, and are currently being reviewed by Legal Services.
- 1.3 In referring to the main charges for leaseholders as contained in the report, Officers explained that it is intended for work to be carried out to reassess the current management and administration fee for leaseholders. Although the current annual charge of £10 generates income of £4,170, the minimum annual cost of administering the leaseholder properties is £53,034. It is also intended to assess charges for solicitors' enquiries in relation to the sale or purchase of leasehold flats. Additionally, it is planned to cap the administration charge levied for WHQS works (currently 10%) and review alternative charging mechanisms, as the volume of these works are resulting in higher bills for leaseholders than might normally be the case.
- 1.4 In response to a Member's query, Officers confirmed that disputed charges had only been partially upheld in the very few cases where these had been referred to the Leasehold Valuation Tribunal (LVT). A Member suggested that it could be beneficial to establish a leaseholder forum and Officers confirmed that this was an avenue that could be explored further as part of a range of potential involvement options. Officers also outlined the process relating to leaseholders' obligations and payment options in respect of buildings insurance.
- 1.5 Discussion took place regarding the consultation process for repair/improvement works to leasehold properties. Officers explained that on occasions where this process is not fully completed (due to a need to carry out urgent works to these properties), the leaseholder contribution is capped at £250 and any remaining costs are covered by funds from the Housing Revenue Account (HRA). Officers agreed to circulate to Members further information on the costs incurred by the Authority arising from such occasions.
- 1.6 The Scrutiny Committee also discussed the disparity between the current management and administration fee for leaseholders and the minimum annual cost of administering the leaseholder properties. Officers explained that in addition to the reassessment of the current fee, the associated collection processes are also being reviewed, and that overall, work is already underway against many of the improvements identified in the report.
- 1.7 Following consideration and discussion, the Policy and Resources Scrutiny Committee extended their thanks to the Leaseholder Services Team for the informative report and noted its contents.

1.8 The Caerphilly Homes Task Group are asked to consider the report and note its contents.

Author: R. Barrett, Committee Services Officer, Ext. 4245

Appendices:

Appendix 1 Report to Policy and Resources Scrutiny Committee on 17th January 2017 – Agenda Item 10



POLICY AND RESOURCES SCRUTINY COMMITTEE – 17TH JANUARY 2017

SUBJECT: LEASEHOLDER CHARGES

REPORT BY: CORPORATE DIRECTOR - COMMUNITIES

1. PURPOSE OF REPORT

- 1.1 This Report responds to a request by members of the Policy and Resources Scrutiny Committee for further information on leaseholder legislation, process and good practice.

2. SUMMARY

- 2.1 This report covers leaseholder legislation, associated processes including consultation and procurement financial obligations of leaseholders, including charges and payment options, and good practice guidance.

3. LINKS TO STRATEGY

- a. This report links to the Single Integrated Plan 2013-2017 priority to “*improve standards of housing and communities giving appropriate access to services across the county borough*”.
- b. This report links to the Local Housing Strategy aim of “providing good quality, well managed homes in communities where people want to live and offer people housing choices which meet their needs and aspirations.
- c. This report would link most closely to the following Well-being Goals within the Well-being of Future Generations Act (Wales) 2016:
 - *A prosperous Wales*
 - *A resilient Wales*
 - *A healthier Wales*
 - *A more equal Wales*
 - *A Wales of cohesive communities.*

4. THE REPORT

- 4.1 There are currently 417 flats within the Council’s housing stock now owned by leaseholders, following their sale under the Right to Buy (RTB) scheme. Many of these flats would have been sold on to others since the original purchase from the Council. There are currently at least four different leases in use depending on when the RTB was exercised and their landlord at the time of sale. Approximately 50% of leasehold properties are sub-let bringing in rental income for the leaseholder. The Council has continuing responsibilities to maintain the external structure and communal areas of the blocks of flats.

4.2 Legislation

Leasehold matters are mostly covered in the Landlord and Tenant Act 1985 (as amended by the Commonhold and Leasehold Reform Act 2002). This sets out the formal process Section 20 Notice procedure for consulting with leaseholders about service charges. This process includes a Notice of Intention which gives leaseholders information on the proposed works, allows them to nominate a contractor and gives a period of 30 days to return any comments or observations. This is followed by a Notice of Estimates which advises on the proposed contractor and the estimated cost of works. Again leaseholders have 30 days to return any comments or queries. A further notice may be required depending on whether the lowest tenderer has been awarded the contract. If the contract is not awarded to the lowest tenderer, this additional notice (Notice of Award) would outline the reasons for awarding the contract elsewhere.

The lease determines the leaseholder's contribution towards costs and is usually determined by the number of flats in the block for example a leaseholder in a block of four would contribute one quarter, in a block of six, one sixth. The lease also determines the types of costs that can be charged for, there are different types of lease in use but the main difference is between leases which allow charges for repairs only or leases which allow charges for repairs and improvements. If the consultation process cannot be followed or is not followed correctly, the leaseholder's contribution towards completed works is capped at £250, irrespective of the actual cost of the work. Any costs not recovered from leaseholders has to be covered by the Housing Revenue Account (HRA), in which case tenants' rents are subsidising work carried out for private owners.

The leasehold procedures currently being used are in line with legislation and national guidance; they are currently being reviewed with our Legal Section to ensure they are as up to date as possible.

4.3 Charges

The main charges for leaseholders are:

4.3.1 Service charges, billed annually, usually in September and made up of:-

Ground rent; an amount fixed by the lease that varies between 10 pence and 10 pounds.

Buildings Insurance; arranged via the Council on an annual basis. The contract has been competitively tendered in the last year and runs for three years.

Management and administration fee; currently £10 per year. This only brings in an income of £4,170. The minimum annual cost of administering the leaseholder properties is currently £53,034. This includes preparing and serving all the required notices, responding to queries on charges, responding to solicitors enquiries for buyers and sellers of leasehold flats, preparing completion statements for solicitors in respect of outstanding charges, site visits to determine responsibility for works or to explain the nature of works/charges, visits to advise potential buyers of leasehold responsibilities, responding to comments and observations made on legal notices, liaising with surveyors and contract managers, responding to complaints, preparing Tribunal documents. It does not include any costs for any support services such as those received from finance and legal services. A more realistic cost for the management and administration charge has been calculated to be £127 per leasehold property per year and other public sector landlords in this region have charges in this range.

Whether the charge can be levied at all will depend on the terms of the lease. It is intended that more work is carried out to assess a realistic management and administration charge, at which time consideration will be given as to how this will be applied.

Currently no charges are levied for solicitors' enquires for sale or purchase of leasehold flats, other landlords charge for these services so it is also intended to assess charges for those types of enquires. Charges would be due from the solicitor making the enquiries.

Response Repairs: this charge covers any repairs reported by a tenant or leaseholder that are required to the exterior of the block/communal areas. Response repairs are recharged at the schedule of rates costs. Records are provided from our repairs database and include descriptions of the repair carried out, when it was completed and which work team carried out the repair. The majority of response repairs are carried out by our in-house team but where external contractors are used, competitive quotations or tenders are sought.

Programmed repairs such as chimney stack removals, that are likely to cost more than £250 per leaseholder or £1,000 for the block, are tendered either on a competitive tender basis or a framework arrangement in line with current procurement procedures.

- 4.3.2 Major Works billed on completion of the contract. This includes the works costs and an administration charge.

Procurement for Major Works

All work is procured in line with UK and EU procurement legislation and our own internal standing orders for contracts. The procurement process depends on the value of works being tendered. Contracts are established from predetermined frameworks where these have been procured in line with the leaseholder consultation process or by undertaking individual tender processes for leaseholders in consultation with procurement which will result in the award of formal contracts. Depending on the most appropriate route the procurement process is supported by third party due diligence such as "Construction Line" and SSIP - Safe Systems in Procurement Registration. Again the level and type of accreditation is determined once the value of contracts is established.

All contractors undertaking works for the authority must have appropriate levels of Public Liability and Employer Liability insurance. All contractors must agree to the Authority's terms and conditions (industry standards) and agree to work in line with our Tenants Charter. As part of the procurement process and to ensure the authority obtains best value it is a requirement of standing orders to complete a due diligence if the Authority receives less than 50% return. Any officer wishing to proceed with award with limited response must obtain approval as per standing orders.

Leaseholders have an opportunity at the Notice of Intention Stage to nominate a suitable contractor that the Council must consider. Any nominated contractor would, however, have to meet the same criteria as those invited to tender by the Council, including passing the same checks, and being able to undertake the package of work as specified. It is not acceptable for a nominated contractor to only undertake work to the leasehold property, as work is issued as a contract package covering a number of properties which should achieve economies of scale.

4.4 Billing

- 4.4.1 Leaseholders receive an estimate of costs before work starts and have an opportunity to comment on those costs. The invoice is not sent out until the contract is completed and all final costs from the contractor have been received. There are a number of different payment options available as outlined in Section 4.5. Charges are based on the records available to the Leasehold Services Officers and would include a breakdown of the final costs provided by the Contract Manager's team taking into account any variations made during the works.
- 4.4.2 Leaseholders are charged in accordance with their lease, some leases allow the Council to charge for repairs and improvements, some only allow the Council to charge for repairs. There could therefore be 2 leaseholders in the same contract who are charged differently for the same package of works. Also, as there is more than one contract running in some areas, leaseholders in a local area may be charged differently because different contractors will have participated in separate tender exercises.

- 4.4.3 In addition to the actual cost of works, a 10% administration charge is currently added to invoices for major works. This contributes to the costs of the time surveyors, contract managers, quantity surveyors, clerk of works spend on leasehold properties.
- 4.4.4 The Welsh Housing Quality Standard (WHQS) means that more works are currently being undertaken for leaseholders in one contract than might normally be the case, resulting in higher bills. Adding a 10% administration charge can significantly increase the cost, it is therefore intended that the administration charges for WHQS works be capped pending further investigation of possible alternative charging mechanisms.
- 4.4.5 If leaseholders are dissatisfied with costs, initially they raise their query with the Leasehold Services Officers who try, with assistance from appropriate Technical Officers, to resolve the query. This can sometimes result in charges being upheld, reduced or withdrawn. If leaseholders are dissatisfied with the response at this point, they are able to utilise the corporate complaints policy and they can also request a determination of charges by the Leasehold Valuation Tribunal (LVT). There is a cost to the leaseholder to submit an application to the LVT.
- 4.4.6 Disputes are inevitable and nationally, Welsh Government (WG) has recently suggested introducing Early Neutral Evaluation, a process in which the parties appoint an independent person to provide a non-binding opinion on the case in dispute. Progress by WG on introducing such a process will be welcomed.
- 4.5 Payment Options
- 4.5.1 The financial circumstances of each leaseholder varies, so there needs to be the opportunity to tailor a payment solution from a range of options. Leaseholders can arrange their own finance but there are several options available from the Council. If leaseholders are unable to meet the cost of works there are currently options to pay by interest free instalments over 24 months or 36 months depending on whether or not the leaseholder is in employment. Payment periods could also depend on whether the leaseholder is resident in the property or is sub-letting and receiving a rental income.
- 4.5.2 The Council can also offer loans. Depending on the leaseholder's circumstances and when the property was bought this could be a mandatory loan over a maximum of 10 years or a discretionary loan over a maximum of 25 years. Interest would be chargeable on the mandatory loan. The interest is set at a government set rate and this could be higher than the interest rate charged by banks and building societies. For the discretionary loan, interest does not have to be charged. The Private Sector Housing Section also administers the national Home Improvement Loan scheme that may also be available to leaseholders depending on whether the proposed works meet the loan criteria. No interest is charged but currently there is an administrative fee of 8% (or £395 minimum) which includes an £80 fee to cover the affordability test undertaken by a partner Credit Union which establishes an applicant's ability to repay the loan. Repayment periods vary from 2-10 years for a leasehold owner occupier or 2-5 years where a leaseholder sub-lets the property.
- 4.5.3 Another option is a discretionary voluntary charge. This involves a legal charge being secured against the value of the property which would be redeemed when the property is sold or assigned. The charge is noted at the Land Registry and therefore the property should not be sold without the debt being cleared. This option would be a last resort where a leaseholder is unable to sustain loan repayments or obtain alternative finance. There must be sufficient equity in the property to cover the loan.
- 4.5.4 In some circumstances the Department of Work and Pensions may consider assistance to repay service charge bills.

4.6 Best Practice

- 4.6.1 In September 2016 Welsh Government launched a Major Works Good Practice Guide for social landlords. The main areas subsequently identified for further development in Caerphilly would be around leaseholder involvement prior to issue of the legal consultative notices, specifically an input into discussions about proposed works (See Appendix 1) and providing feedback on works completed before invoices are issued. Allowing leaseholders to have a say and be involved in the process may help to reduce disputes.
- 4.6.2 At present the leaseholder service offers many of the suggested internal good practice points such as a breakdown of costs, face to face meetings, different payment options but what is currently lacking is the involvement and engagement of leaseholders in the overall process. Some attempts have been made to establish a leaseholder forum, most recently during the stock transfer ballot process, but with little success.
- 4.6.3 With the WHQS programme under way the Leaseholder Services Officers have limited capacity to operate over and above the legal consultation process and day to day administration, partly due to this administration being very labour intensive. A suitable software system is being investigated to improve efficiency as leaseholder information is currently held in several places on systems which do not interact. However, potentially the Tenant Participation Officers within the wider team (one of whom has extensive leasehold experience) could be utilised to develop a framework for future leaseholder engagement, based on the principles outlined in the good practice guide.
- 4.6.4 The process for dealing with leaseholders is covered by legislation and the service provided by Caerphilly Homes to support and assist leaseholders already goes beyond our legal requirements, however, it is acknowledged that there is scope for further improvements to be made.

5. **WELL-BEING OF FUTURE GENERATIONS**

- 5.1 This report contributes to the Well-being Goals as set out in Links to Strategy above. It is consistent with the five ways of working as defined within the sustainable development principle in the Act in that:-
- it aims to make the leasehold service more efficient and fair in terms of individual charges and in terms of the impact on the Housing Revenue Account
 - the service is sustainable in terms of cost and
 - service users become involved in decisions about the level and quality of service they receive.

6. **EQUALITIES IMPLICATIONS**

- 6.1 There are no equalities implications arising from this report.

7. **FINANCIAL IMPLICATIONS**

- 7.1 There would be financial implications for leaseholders from raising the management charge. There would be benefits to some leaseholders from capping the administration charge. The range of payment options available to leaseholders allows for consideration of their individual circumstances.
- 7.2 There are implications for the HRA by not recovering the costs of response repairs and major works to leasehold properties, and for not recovering the actual costs of administering the leasehold service. Any non recovery increases the amount that has to be covered by tenants' rents.

8. PERSONNEL IMPLICATIONS

8.1 There are no personnel implications arising from this report.

9. CONSULTATIONS

9.1 The report reflects the views of the consultees.

10. RECOMMENDATIONS

10.1 This is an information report, Members are asked to note the contents.

11. REASONS FOR THE RECOMMENDATIONS

11.1 To ensure that the leasehold service is fit for purpose and sustainable, takes into consideration the increased costs to leaseholders of WHQS works and allows leaseholders the opportunity to become involved in the future decision-making process.

12. STATUTORY POWER

12.1 Landlord and Tenant Act 1985 (as amended by the Commonhold and Leasehold Reform Act 2002).

Author: Mandy Betts, Tenant and Community Involvement Manager
Consultees: Christina HARRY, Corporate Director of Communities
Cllr Dave Poole, Deputy Leader and Cabinet Member for Housing
Shaun Couzens, Chief Housing Officer
Gail Williams, Interim Head of Legal Services & Monitoring Officer
Liz Lucas, Head of Procurement
Stephen Harris, Interim Head of Corporate Finance
Lesley Allen, Group Accountant
Fiona Wilkins, Public Sector Housing Manager
Kenyon Williams, Private Sector Housing Manager
Marcus Lloyd, Deputy Head of Programmes
Richard Crane, Senior Solicitor
Laura Jones, Leaseholder Services Officer
Allison Davies, Leaseholder Services Officer
Anwen Rees, Senior Policy Officer, Equalities and Welsh Language

Background Papers:

Policy and Resources Scrutiny Committee Report 19th January 2016

Appendices:

Appendix 1 Extract from Major Works Good Practice Guide for Social Landlords 2016

Extract from Major Works

Good Practice Guide for Social Landlords

Developed by LEASE and funded by Welsh Government

Leaseholders should be able to comment on:-

- Contractor selection
- Component selection
- Customer care specifications when drafting contracts
- Tender specifications
- Quality assurance contract awards

Leaseholder services should:-

- Feed comments into the programme of works
- Offer or direct leaseholders to benefits advice, loans or grants (landlords should check they have appropriate licences)
- Publicise any repayment option offered by the landlord
- Explain the consequences of non-payment of a service charge
- Identify any leaseholders who may be in exceptional hardship and, possibly, offer them extended repayment plans

Landlords should create a feedback framework for leaseholders using:-

- Formal observations
- Satisfaction surveys
- Meetings
- Letters
- Online /portal

Individual leaseholder consultation meetings should:-

- Highlight major works
- Identify the costs
- Check whether the leaseholder is able to manage the cost
- Offer help and advice on payment options
- Clarify whether the leaseholder has any health issues
- Identify any preferred methods of communication
- Offer the leaseholder the opportunity to question the process

Leaseholders should be encouraged to set up recognised tenants associations (RTA's) RTA's allow people to work together to represent the views of all the residents in their area. Landlords can help those groups with training needs. Leaseholders should be involved when developing organisational policies and strategies. A number of landlords have leaseholder forums to help with this.

Gadewir y dudalen hon yn wag yn fwriadol



CAERPHILLY HOMES TASK GROUP – 16TH FEBRUARY 2017

SUBJECT: ROWAN PLACE, RHYMNEY – PROPOSED DEMOLITION OF FLATS – BLOCK 65-68

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

-
- 1.1 The report was considered by Cabinet on 18th January 2017 and sought Cabinet approval to demolish an additional block of flats in Rowan Place, Rhymney in conjunction with the improvement of the physical condition of the estate.
 - 1.2 Following the identification of severe damp and external defects to the external fabric of the properties in Rowan Place a major investment programme is currently being undertaken to bring the properties up to the WHQS. Following the demolition of one block of four flats of the remaining 68 Council owned stock, 44 of the properties are 2 bedroom flats comprising 11 blocks. This is a large concentration in a very small area.
 - 1.3 Members noted that, following Cabinet approval to demolish one block of flats to reduce the density of the estate, and in recognition that there remain a large number of two bedroom flats, the report sought approval to demolish a further block due to ongoing low demand in the area, to enhance the environmental aspect of this estate and to achieve financial savings.
 - 1.4 Cabinet discussed the report at length and raised queries regarding the void issues in Rowan Place. It was noted that there has been extensive work undertaken to improve the overall aesthetics of the estate, and a number of events held, such as fun days, open days and barbeques to raise the profile and encourage further lettings, to no avail.
 - 1.5 Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the Officer's report: -

- (i) the proposed demolition of 65-68 Rowan Place and the making of a formal application to Welsh Government for consent to transfer two new leases as outlined in paragraph 4.8 of the report be approved;
 - (ii) to avoid further delays as a consequence of migratory bats, Officers pursue options for undertaking the work prior to the end of March 2017;
 - (iii) as required by Welsh Government, a report be requested from the District Valuer on the open market value of the two leasehold flats.
- 1.6 The Caerphilly Homes Task Group are asked to note the report and recommendations endorsed by Cabinet.

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

Appendices:
Appendix 1 Report to Cabinet – 18th January 2017



CABINET – 18TH JANUARY 2017

**SUBJECT: ROWAN PLACE, RHYMNEY – PROPOSED DEMOLITION OF FLATS –
BLOCK 65-68**

REPORT BY: CORPORATE DIRECTOR - COMMUNITIES

1. PURPOSE OF REPORT

- 1.1 To seek Cabinet approval to demolish an additional block of flats in Rowan Place, Rhymney in conjunction with the improvement of the physical condition of the estate.

2. SUMMARY

- 2.1 Following the identification of severe damp and external defects to the external fabric of the properties in Rowan Place a major investment programme is currently being undertaken to bring the properties up to the WHQS. Following the demolition of one block of four flats of the remaining 68 Council owned stock, 44 of the properties are 2 bedroom flats comprising 11 blocks. This is a large concentration in a very small area.
- 2.2 Following Cabinet approval to demolish one block of flats to reduce the density of the estate and in recognition that there remain a large number of two bedroom flats, this report seeks approval to demolish a further block due to ongoing low demand in the area, to enhance the environmental aspect of this estate and to achieve financial savings.

3. LINKS TO STRATEGY

- 3.1 The delivery of the WHQS environmental programme is coterminous with the aims of the Wellbeing of Future Generations (Wales) Act 2015 which requires public bodies to work towards a shared vision comprising 7 goals and adopt the 5 “Ways of Working”. The goals and the 5 Ways of Working will underpin the delivery of the programme and include planning and acting for the long term, integration, involvement, collaboration and prevention. The WHQS investment in Council homes to transform lives and communities is a Well Being Objective.
- 3.2 The Single Integrated Plan 2013-2017 has a priority to “improve standards of housing and communities, giving appropriate access to services across the County Borough”.
- 3.3 The Council’s Local Housing Strategy “People, Property, and Places” has the following aims:

“To provide good quality, well managed houses in communities where people want to live, and offer people housing choices which meet their needs and aspirations.”

4. THE REPORT

- 4.1 A report was presented to Cabinet in July 2014 outlining the significant problems that had been identified in Rowan Place. The report had been the subject of consultation with the Caerphilly Homes Task Group in May 2014 and with Policy and Resources Scrutiny Committee in June 2014. The report also floated the option of some selective demolition. 48 of the properties were 2 bedroom flats resulting in a very high concentration of flats in a very constrained location. In addition, due to reputational issues, Rowan Place had become a low demand area. There were mixed views during the consultation process about demolition and at the time this was not pursued.
- 4.2 A further report was submitted to Cabinet on the 16th December 2015, seeking approval to demolish a block of flats comprising units 69-72 with the recommendation to demolish being accepted. In addition the recommendation in respect of the necessary works and the additional funding implications were approved.
- 4.3 Rowan Place now consists of 68 Council owned properties, including 3 leasehold flats and a further 6 owner occupied houses/bungalows. Surveys of the Council owned properties had identified severe damp and extensive defects to the external fabric and major works were necessary to bring the stock up to WHQS. The original report in 2014 pointed out that if all the properties were to remain as part of the housing stock there would be no option but to incur the expenditure to address defects. It is a pre-requisite of WHQS that dwellings must be free from damp and disrepair.
- 4.4 Very significant costs are being incurred in refurbishing the blocks of flats and concerns remain about long term lettings. As works have progressed on site an opportunity has now arisen to consider reducing the stock of 2 bedroom flats by demolishing a further block 65-68. It is located in the centre of the estate and its removal linked to the demolition of the adjacent block of flats would create a significant open space at the heart of the estate. The site could be utilised to create a central feature that would further enhance the environmental quality and complement the face lift that has been given to the properties.
- 4.5 Despite the investment made in Rowan Place to date and following the introduction of a sensitive lettings policy, there remain 12 improved void properties with no interest being shown from those qualifying tenants on the housing waiting list and despite increased marketing of properties that are available. There is therefore an ongoing risk that further investment in this block would fail to result in the properties being let.
- 4.6 The block is currently occupied by two leaseholders and one tenant who have informally accepted a proposal to move to a newly refurbished flat in an alternative block. In relation to the leaseholders, the Legal Department has been instructed in the matter and the intention is that the existing leases will be surrendered and new leases granted for alternative flats which are being retained by the Council. The tenant will be offered a new tenancy for an alternative property. This will result in the Council having full control over block 65-68 as the other property in this block is currently void.
- 4.7 Members will recall that £1m VVP (Vibrant and Viable Places) grant was received for Rhymney over 3 years which has been directed to support the refurbishment of Hafod Deg and to provide environmental funding that would supplement the WHQS works in Rowan Place. It is anticipated that this proposal would provide the means to extend the environmental works on the site of the demolished flats to further enhance the appearance and facilities available for the community.
- 4.8 The grant of the new leases referred to in paragraph 4.6 above will require the consent of the Welsh Ministers and a formal application for consent will have to be made to Welsh Government. This will need to be accompanied by a statement setting out the purpose of the disposal, a District Valuer's report on the open market value of the property, the financial implications in respect of reduced rent, the Cabinet approval to the disposal/demolition, and the Cabinet report.

- 4.9 Officers consider there are merits in pursuing the demolition of the one additional block. However, if Members support this proposal then the procurement process will need to be fast-tracked to aim for the demolition to take place prior to the end of March 2017, in order to avoid the migration pattern of bats in the area. This could be achieved by a direct award or the issuing of a variation to the ongoing environmental scheme.

5. WELLBEING OF FUTURE GENERATIONS

- 5.1 The delivery of the WHQS improvement and environmental programme is coterminous with the aims of the wellbeing of Future Generations (Wales) act 2015, in particular:-
- **Long Term:** the report includes a recommendation to demolish a further block of flats in order to deliver long term benefits for residents in Rowan Place, the community and the Council by providing an estate which better meets demand for the area.
 - **Integration:** The proposed demolition will result in wider environmental works which will improve facilities and open the area up in order to better integrate with neighbouring communities.
 - **Involvement:** Local residents have been consulted on the proposed environmental works.
 - **Collaboration:** A multi-agency approach has been adopted with the aim of improving the appearance and reputation of the estate in conjunction with the Policy, Communities First, Aneurin Bevan Health Board and Housing.
 - **Prevention:** The proposed demolition of an additional block of flats will reduce the density of the estate, prevent increased numbers of void properties and reduce incidences of anti-social behaviour, thereby improving the mental and physical wellbeing of residents.

6. EQUALITIES IMPLICATIONS

- 6.1 An EqIA screening has been completed in accordance with the Council's Equalities Consultation and Monitoring Guidance and no potential for unlawful discrimination and for lower level or minor negative impact have been identified, therefore a full EqIA has not been carried out. The proposal will result in the loss of 4 housing units but this is a location where currently there are 8 no. two bedroom flats, which despite being fully improved, they have not been let. The Upper Rhymney Valley is generally a low demand area.

7. FINANCIAL IMPLICATIONS

- 7.1 The cost plan estimate for the internal improvements to the 72 Council owned properties based on the Savills stock condition survey was £563,000 and for the external works £55,900.
- 7.2 Arising from the report presented to Cabinet in July 2014 a revised budget of £4.2m was approved with the additional costs to be funded within the Business Plan flexibilities.
- 7.3 The average cost of repairs and improvements per property was calculated as £58,800. However if the improvement had progressed to block 65-68 the internal work would not have been undertaken to the leasehold flat. The cost saving of not having to undertake improvement works will be of the order of £180,000. This will be offset by the demolition and clearance of the site and the leaseholder contribution which is estimated at £70,000. There would therefore be a net saving of £110,000, excluding legal fees. (Note these are broad estimates).
- 7.4 If we proceed to undertake the improvement work to this block, the leaseholders would be liable to contribute to the costs. A move to an alternative block of flats which has already been improved would therefore be of financial benefit to both leaseholders and the Council.

The detailed terms of the transfer of the leases will be dealt with by officers under delegated powers in consultation with the Cabinet Member for Housing.

- 7.5 There have been long term voids in Rowan Place and therefore historically there has been the ongoing loss of rental income. The reduction of 2, 2 bed flats (& 2 leasehold flats) would result in a minor adjustment to the housing stock which will have minimal impact in terms of rental income in view of the previous history of the area.

8. PERSONNEL IMPLICATIONS

- 8.1 The in house work force is the main contractor for Rowan Place, however, due to the specialist nature of the demolition work, alternative procurement arrangements will need to be made to appoint an appropriate contractor.

9. CONSULTATIONS

- 9.1 The proposal to demolish the one block of flats has been discussed with the local ward member. He has indicated he would not oppose the demolition. Consultation is also ongoing with the leaseholders and tenant with the aim of relocating them to alternative flats within Rowan Place.
- 9.2 Comments received from the Consultees listed below, have been incorporated into this report.

10. RECOMMENDATIONS

- 10.1 The Cabinet endorse the proposed demolition of 65-68 Rowan Place and the making of a formal application to Welsh Government for consent to transfer two new leases as outlined in paragraph 4.8 of this report.
- 10.2 Subject to recommendation 10.1, above, officers pursue options for undertaking the work prior to the end of March 2017 to avoid further delays as a consequence of migratory bats.
- 10.3 Subject to recommendation 10.1, above, being approved, a report be requested from the District Valuer on the open market value of the two leasehold flats as required by Welsh Government.

11. REASON FOR RECOMMENDATIONS

- 11.1 To consider the opportunity of reducing the number of flats in Rowan Place as part of an overall strategy to transform the quality of Rowan Place.

12. STATUTORY POWER

- 12.1 Housing and Local Government Acts. This is a Cabinet function.

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Consultees: Cllr Dave V Poole - Deputy Leader and Executive Member for Housing
Cllr Carl Cuss - Local Ward Member
Chris Burns - Interim Chief Executive
Christina Harry - Corporate Director Communities
Nicole Scammell - Acting Director of Corporate Services and S151 Officer

Fiona Wilkins	-	Public Sector Housing Manager
Gail Williams	-	Interim Head of Legal Services & Monitoring Officer
Alan Edmunds	-	WHQS Project Manager
Jane Roberts-Waite	-	Strategic Co-ordination Manager
Marcus Lloyd	-	WHQS and Infrastructure Strategy Manager
Lesley Allen	-	Principal Accountant
Colin Jones	-	Head of Performance & Property Services
Mandy Betts	-	Tenant and Community Involvement Manager
Debbie Bishop	-	Area Housing Manager

Gadewir y dudalen hon yn wag yn fwriadol