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

Date: 9th October 2019

Dear Sir/Madam,

A meeting of the **Housing and Regeneration Scrutiny Committee** will be held in the **Sirhowy Room - Penallta House, Tredomen, Ystrad Mynach** on **Tuesday, 15th October, 2019** at **5.30 pm** to consider the matters contained in the following agenda. Councillors and the public wishing to speak on any item can do so by making a request to the Chair. You are also welcome to use Welsh at the meeting, both these requests require a minimum notice period of 3 working days, and a simultaneous translation will be provided if requested.

All Committee meetings are open to the Press and Public, observers and participants are asked to conduct themselves with respect and consideration for others. Please note that failure to do so will result in you being asked to leave the meetings and you may be escorted from the premises.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Chrissy', enclosed in a large, loopy oval shape.

Christina Harrhy
INTERIM CHIEF EXECUTIVE

A G E N D A

	Pages
1 To receive apologies for absence.	
2 Declarations of Interest.	

Councillors and Officers are reminded of their personal responsibility to declare any personal and/or prejudicial interest(s) in respect of any item of business on this agenda in accordance with the Local Government Act 2000, the Council's Constitution and the Code of Conduct for both Councillors and Officers.

A greener place Man gwyrddach



To approve and sign the following minutes: -

- | | | |
|---|--|--------|
| 3 | Housing and Regeneration Scrutiny Committee held on 3rd September 2019. | 1 - 4 |
| 4 | Consideration of any matter referred to this Committee in accordance with the call-in procedure. | |
| 5 | Housing and Regeneration Scrutiny Committee Forward Work Programme. | 5 - 12 |
| 6 | To receive and consider the following Cabinet reports*: - | |
| | 1. ERDF 4.4 Funding Opportunities - The Lawn Industrial Estate, Rhymney and Ty Du Nelson - 2nd October 2019; | |
| | 2. Welsh Government Consultation on the Draft National Development Framework - 2nd October 2019; | |
| | 3. Pentreban Street, Caerphilly - Possible Use of CPO Powers (EXEMPT ITEM) - 2nd October 2019. | |

**If a member of the Scrutiny Committee wishes for any of the above Cabinet reports to be brought forward for review at the meeting please contact Rebecca Barrett, 01443 864245, by 10.00am on Monday, 14th October 2019.*

To receive and consider the following Scrutiny reports: -

- | | | |
|---|---|---------|
| 7 | Budget Monitoring Report 2019/2020. | 13 - 26 |
| 8 | Complaints, Representations and Compliments - Caerphilly Homes. | 27 - 38 |
| 9 | Housing Revenue Account Budget Monitoring - Period 4 2019/20. | 39 - 48 |

Circulation:

Councillors J. Bevan, D. Cushing, C. Elsbury, Mrs C. Forehead (Vice Chair), R.W. Gough, L. Harding, A.G. Higgs, G. Kirby, Ms P. Leonard, Mrs G.D. Oliver, B. Owen, Mrs D. Price, J. Ridgewell (Chair), Mrs M.E. Sargent, W. Williams and B. Zaplatynski

And Appropriate Officers

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HOUSING AND REGENERATION SCRUTINY COMMITTEE

MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH ON
TUESDAY, 3RD SEPTEMBER 2019 AT 5.30 P.M.

PRESENT:

Councillor J. Ridgewell - Chair

Councillors:

J. Bevan, C. Elsbury, R.W. Gough, L. Harding, G. Kirby, Ms P. Leonard, Mrs G.D. Oliver, Mrs D. Price, Mrs M.E. Sargent, W. Williams, B. Zaplatynski,

Cabinet Members:

Mrs L. Phipps (Homes and Places)

Together with:

S. Couzens (Chief Housing Officer), P. Smythe (Housing Technical Manager), M. Jacques (Scrutiny Officer), R. Barrett (Committee Services Officer)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors D. Cushing, Mrs C. Forehead (Vice-Chair), A.G. Higgs and B. Owen, together with Cabinet Members S. Morgan (Economy, Infrastructure and Sustainability & Wellbeing of Future Generations Champion) and Mrs E. Stenner (Environment and Public Protection).

2. DECLARATIONS OF INTEREST

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

3. MINUTES – 23RD JULY 2019

RESOLVED that the minutes of the Housing and Regeneration Scrutiny Committee meeting held on 23rd July 2019 (minute nos. 1 - 9) be approved as a correct record and signed by the Chair.

Arising from the minutes, a Member asked if it would be possible to have regular progress reports on Business Development Grants and employment programmes reported to the Committee on a twice-yearly basis. The Scrutiny Officer confirmed that he would relay the request to Officers and asked the Member to email the specifics to him so that arrangements could be made to add these reports to the Forward Work Programme.

4. CALL-IN PROCEDURE

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

5. HOUSING AND REGENERATION SCRUTINY COMMITTEE FORWARD WORK PROGRAMME

Mark Jacques (Scrutiny Officer) presented the report, which outlined details of the Housing and Regeneration Scrutiny Committee Forward Work Programme (FWP) for the period September 2019 to July 2020, and included all reports that were identified at the Scrutiny Committee meeting on 23rd July 2019.

Members were advised of several proposed changes to the forward work programme since the publication of the agenda papers. These included the rescheduling of the Heads of the Valley Masterplan report from 15th October 2019 to 28th January 2020 and the scheduling of 4 reports for 15th October 2019, namely;

- (1) Caerphilly Homes - #Building Together,
- (2) Complaints and Representations – Caerphilly Homes Task Group (CHTG)
- (3) HRA (Housing Revenue Account)/ General Fund 2019/20 Period 4 Monitoring Report
- (4) Budget Monitoring (Regeneration – Communities Directorate).

The Committee were also asked to consider the addition of a WHQS Progress Report to the meeting of 26th November 2019.

Members were in agreement with the proposed additions and changes but expressed concerns regarding the slippage of the Heads of the Valley Masterplan report to January 2020, given its previous rescheduling to October 2019. The Scrutiny Officer confirmed that he would seek clarification for the delay from the relevant Officers and would enquire if it would be possible to bring a progress report to the Committee before January 2020.

A Member also asked why three reports were listed on the FWP under date to be confirmed. Officers explained that these are listed to demonstrate that the item has been requested for inclusion. However the reports cannot yet be scheduled for specific dates, as each item is dependent on further information from external sources before the report can be prepared.

Subject to the foregoing amendments, it was unanimously agreed that the Housing and Regeneration Scrutiny Committee Forward Work Programme be published on the Council's website.

REPORTS OF OFFICERS

Consideration was given to the following report.

6. WHQS PROGRESS REPORT – FINAL STAGES

The Cabinet Member for Homes and Places presented the report, which provided an overview of the performance of the Welsh Housing Quality Standard (WHQS) Team to date and the anticipated projected performance up to December 2020. It was noted that the report had previously been considered by the Caerphilly Homes Task Group on 27th June 2019 and subsequently presented as an information item to the Housing and Regeneration Scrutiny Committee on 23rd July 2019. During discussions on its Forward Work Programme at that meeting, the Committee agreed that the report should be formally considered by Members at its September meeting, prior to presentation of the report to Cabinet.

The Scrutiny Committee noted the details of the year end outturn for 2018/19 for WHQS works, together with the overview of the many achievements that have been made as part of the wider commitments and benefits delivered by the WHQS Programme. Projected performance of the internal and external works has demonstrated that full compliance is achievable prior to the December 2020 deadline, and 100% of surveys are now complete, which have provided more detail of the scope of anticipated works, and which will assist with contract forecasting and budget monitoring. The report also detailed further changes to the sheltered housing schemes where survey results have necessitated in two further schemes being omitted from the programme on health and safety grounds and transferred to the Post 2020 asset management programme.

Members were asked to note the significant progress made across the programme to date, with internal works achieving 85% compliance and external works achieving 71% compliance, with an overall compliance level of 57%. The Scrutiny Committee were also asked to recognise the significant efforts of WHQS staff in achieving this level of project performance.

During the course of discussion on the report, a Member queried the disparity between the compliance rate across internal and external works. Officers explained that this is due to the way the programme of works have been structured, with internal works starting prior to external works and therefore achieving higher compliance to date. Some delays were caused by the loss of an external contractor in December 2018 and the need to procure a replacement, but this will not affect the overall projected completion date which is still on track to be achieved prior to December 2020.

A Member referred to the tenant satisfaction rate for external works and asked if timescales are set for contractors to carry out any subsequent remedial works. Officers explained that this depends on the level of work required and that a monetary retention is held against contractors to ensure any defects are fixed in a timely manner. In response to a Member's query, Officers also confirmed that the additional workload arising from one external contractor going into administration had mainly been absorbed in-house by the Council's workforce.

Members discussed the WHQS Environmental Programme and expressed interest in receiving updates on any projects identified for their wards. Officers confirmed that an extensive consultation and engagement process in this regard is ongoing across all 82 communities throughout the county borough and that Members will be updated in due course. A Member expressed thanks to the WHQS Team for the environmental improvements already carried out in her ward. In response to a query on future funding for the Environmental Programme, Officers confirmed that a consideration going forward would be the level of budget required to maintain the key aspects of these environmental improvements.

A Member highlighted some outstanding issues in a Council property following WHQS works and asked when the follow-up work would be completed. Officers explained that in this particular instance, re-tendering for the outstanding work is due to take place in January 2020. Members were advised that all works are inspected following completion and that the new style of tenant satisfaction survey involves detailed questions to identify any underlying issues. Assurances were given that the standard of works and tenant satisfaction levels are closely monitored by the WHQS Team, and that staff work proactively with contractors and other Council departments to ensure that any issues are addressed.

The Scrutiny Committee discussed tenant satisfaction levels, and in response to queries from Members, Officers confirmed that this data is acquired from both the old style of postal surveys and new style telephone surveys. It was explained that the analysis of the survey is now more detailed and performance is measured on a periodic basis. Members suggested however that the new style of survey could produce less accurate data, as some tenants

might be less inclined to highlight any WHQS issues over the telephone. Officers also confirmed that a postal survey is still sent to the tenant if they are unable to be reached or surveyed by telephone. Members were advised that in the event of outstanding works being identified through the survey, the Clerk of Works will arrange for the works to be programmed and will submit a report before the job is closed out.

Discussion took place regarding the longevity of products supplied under the WHQS scheme, Officers explained that if a fault develops within 12 months (which is the industry standard), the contractor will be asked to re-attend to rectify the problem. Outside of that period, the Repair Team will be called in to address the issue. However some products have a manufacturer's warranty period which can extend to 7 years and such information is recorded to ensure this is actioned if necessary.

Clarification was sought on the future of the apprenticeships created through the WHQS programme, upon conclusion of the programme in 2020. Officers explained that there will be a requirement to maintain the standard of works thereafter and deliver future planned maintenance programmes, as well as a need to provide continuity across the workforce, and as a result, there will be further work opportunities in this area moving forward.

A Member asked if would be feasible to prepare a detailed report on customer satisfaction, which would list the individual detail for any problems and the details of the relevant contractor. Officers explained that as the WHQS is now in the final stages of the programme, it would not be conducive to produce this level of detail in regards to individual contractors. Officers explained that a further report on WHQS Progress is being prepared for consideration by the Committee on 26th November 2019 and offered to expand on the level of detail in relation to customer satisfaction.

Reference was made to the cycle of billing applied in respect of the works carried out to leasehold properties, and particular concerns were raised regarding the delay in recharging leaseholders for these costs. Officers outlined the billing process and explained that these recharges are dependent on the timeliness of contractor invoices. However, the work recharged to leaseholders only accounts for a very small proportion of the works completed in total under the WHQS programme.

In response to a query on the direction of the Post 2020 Asset Management Strategy referenced in the report, Officers explained that this will encompass new build opportunities, oversee the conclusion of the environmental improvements programme, and will set the scene for the next planned maintenance programme for external works to commence 2020/21 and internal works anticipated to begin in 2025.

In closing, Members were pleased to note the improvements made across the programme and congratulated the WHQS Team on their efforts.

Having considered and discussed the report ahead of its submission to Cabinet, and in taking into account the comments of the Caerphilly Homes Task Group, the Scrutiny Committee noted the contents of the report, including the position and approach being taken to deliver the WHQS programme.

The meeting closed at 6.35 p.m.

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 15th October 2019, they were signed by the Chair.

CHAIR



HOUSING AND REGENERATION SCRUTINY COMMITTEE – 15TH OCTOBER 2019

**SUBJECT: HOUSING AND REGENERATION SCRUTINY COMMITTEE FORWARD
WORK PROGRAMME**

**REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE
SERVICES**

1. PURPOSE OF REPORT

1.1 To report the Housing and Regeneration Scrutiny Committee Forward Work Programme.

2. SUMMARY

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

3. RECOMMENDATIONS

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

4. REASONS FOR THE RECOMMENDATIONS

4.1 To improve the operation of scrutiny.

5. THE REPORT

5.1 The Housing and Regeneration Scrutiny Committee forward work programme includes all reports that were identified at the scrutiny committee meeting on Tuesday 3rd September, 2019. The work programme outlines the reports planned for the period October 2019 to July 2020.

5.2 The forward Work Programme is made up of reports identified by officers and members. Members are asked to consider the work programme alongside the cabinet work programme and suggest any changes before it is published on the council website. Scrutiny committee will review this work programme at every meeting going forward alongside any changes to the cabinet work programme or report requests.

5.3 The Housing and Regeneration Scrutiny Committee Forward Work Programme is attached at Appendix 1, which presents the current status as at 7th October 2019. The Cabinet Work Programme is attached at Appendix 2. A copy of the prioritisation flowchart is attached at

appendix 3 to assist the scrutiny committee to determine what items should be added to the forward work programme.

5.4 **Conclusion**

The work programme is for consideration and amendment by the scrutiny committee prior to publication on the council website.

6. **ASSUMPTIONS**

6.1 No assumptions are necessary.

7. **LINKS TO RELEVANT COUNCIL POLICIES**

7.1 The operation of scrutiny is required by the Local Government Act 2000. The Local Government Wales Measure 2011 and subsequent Statutory Guidance include requirements to publicise the work of scrutiny committees. The operation of scrutiny committee forward work programmes was agreed following decisions by Council in October 2013 and October 2015.

7.2 **Corporate Plan 2018-2023.**

Scrutiny Committee forward work programmes contributes towards and impacts upon the Corporate Well-being Objectives by ensuring that the Executive is held to account for its Corporate Objectives, which are:

Objective 1 - Improve education opportunities for all

Objective 2 - Enabling employment

Objective 3 - Address the availability, condition and sustainability of homes throughout the county borough and provide advice, assistance or support to help improve people's well-being

Objective 4 - Promote a modern, integrated and sustainable transport system that increases opportunity, promotes prosperity and minimises the adverse impacts on the environment

Objective 5 - Creating a county borough that supports a healthy lifestyle in accordance with the sustainable Development Principle within the Wellbeing of Future Generations (Wales) Act 2015

Objective 6 - Support citizens to remain independent and improve their well-being

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

8.1 This report contributes to the well-being goals and is consistent with the five ways of working as defined within the sustainable development principle in that by ensuring the scrutiny function is effective when reviewing services and policies and ensure it considers the wellbeing goals.

8.2 The Forward Work Programmes contribute to the following Well-being Goals within the Well-being of Future Generations Act (Wales) 2016 by ensuring there is an effective scrutiny function and that council policies are scrutinised against the following goals:

- A prosperous Wales
- A resilient Wales

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

9. EQUALITIES IMPLICATIONS

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

10. FINANCIAL IMPLICATIONS

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

11. PERSONNEL IMPLICATIONS

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

12. CONSULTATIONS

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

13. STATUTORY POWER

13.1 The Local Government Act 2000.

Author: Mark Jacques, Scrutiny Officer

Consultees: Dave Street, Corporate Director – Social Services and Housing
 Mark S. Williams, Interim Corporate Director of Communities
 Shaun Couzens, Chief Housing Officer, Communities
 Robert Tranter, Head of Legal Services/ Monitoring Officer
 Lisa Lane, Head of Democratic Services and Deputy Monitoring Officer, Legal Services
 Councillor John Ridgewell Chair of Housing and Regeneration Scrutiny Committee
 Councillor Christine Forehead Vice Chair of Housing and Regeneration Scrutiny Committee

Appendices:

Appendix 1 Housing and Regeneration Scrutiny Committee Forward Work Programme
 Appendix 2 Cabinet Forward Work Programme
 Appendix 3 Forward Work Programme Prioritisation Flowchart

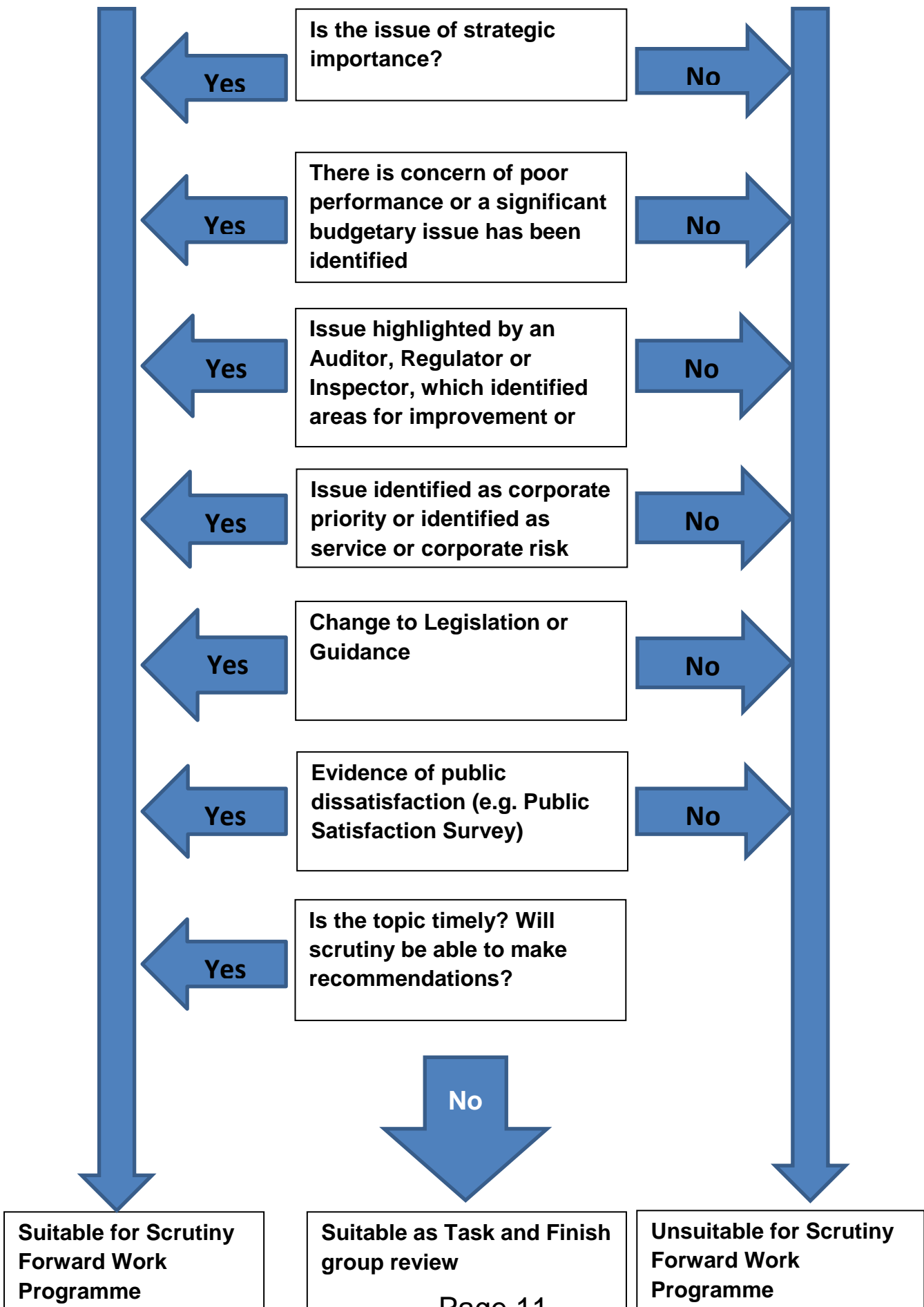
Forward Work Programme - Housing & Regeneration				
Date	Title	Key Issues	Author	Cabinet Member
15/10/19	Complaints and Representations - Caerphilly Homes Task Group	To provide information on the level of complaints received from customers and/or their advocates and how these are being dealt with using the Corporate Complaints Procedure as well as including details on any lesson learned. The report also provides information on compliments received in relation to service provision.	Couzens, Shaun	Cllr. Phipps, Lisa
15/10/19	HRA (Housing Revenue Account)/ General Fund 2019/20 Period 4 Monitoring Report	The report will highlight where any major variances against budget are expected and explain the reasons for the variance. The report will also include a high level account of the HRA capital budget which is currently funding the WHQS programme, and how that is being funded.	Couzens, Shaun	Cllr. Phipps, Lisa
15/10/19	Budget Monitoring (Regeneration – Communities Directorate)	Details of the latest revenue budget position for Regeneration & Planning Services within the Communities Directorate including anticipated revenue budget over and underspends and other budget pressures and an update on the achievement of MTFP savings applied in 2019/2020.	Eedy, Michael	Cllr. Jones, Barbara
26/11/19	Caerphilly Homes - #Building Together	Due to an increasing demand for housing the report sets out proposals for increasing supply using a number of options such as purchasing existing empty homes, identify land sites for future development, purchase new build properties through Section 106 Agreements and building new homes. The report contains a number of recommendations which will be presented to cabinet in due course for consideration/approval	Couzens, Shaun	Cllr. Phipps, Lisa
26/11/19	WHQS Progress Report (Nov 2019)		Couzens, Shaun	Cllr. Phipps, Lisa
26/11/19	Information Item - Allocation of New Homes and the role of the Tenancy Enforcement Section		Couzens, Shaun	Cllr. Phipps, Lisa
05/12/19	Medium-Term Financial Plan (Housing & Regeneration)		Couzens, Shaun	Cllr. Morgan, Sean
28/01/20	Heads of the Valleys Masterplan	The report is seeking the view of members prior to its presentation to Cabinet, where Cabinet will be asked to endorse the Draft Masterplan as the basis for a public consultation exercise.	Kyte, Rhian	Cllr. Stenner, Eluned
28/01/20	Rent Increase Report 2020/21		Couzens, Shaun	Cllr. Phipps, Lisa
28/01/20	Information Item - HRA/General Fund 2019/20 Period 7 Budget Monitoring		Couzens, Shaun	Cllr. Phipps, Lisa

Forward Work Programme - Cabinet

Date	Title	Key Issues	Author	Cabinet Member
16/10/19	Annual Improvement Report 2018/19	To present the Annual Improvement Report for 2018/19	Harris, Stephen R	Cllr. Jones, Barbara
16/10/19	Hafodyrynys	To update Cabinet on discussions with Welsh Government in relation to implementing the recommendations within the Air Quality plan for Hafodyrynys Road	Godfrey, Maria; Edwards, Ceri	Cllr. Stenner, Eluned
16/10/19	Annual Performance Report 2018	To discuss and present the draft Annual Performance Report	Roberts, Ros	Cllr. Jones, Barbara
16/10/19	Land at Pontymister Industrial Estate	The matter has been consulted on with local Risca members and 2 of the 5 members have raised objections to the proposed sale principle. While any development would be subject to planning considerations, the scrutiny committee's views are being sought on the principle of the sale prior to consideration by cabinet.	Williams, Mark	Cllr. Phipps, Lisa
16/10/19	Free Swim Initiative	Changes to Grant Funding to deliver the Welsh Government Free Swimming Initiative	Reynolds, Jeff	Cllr. George, Nigel
30/10/19	Chartist Gardens - Development Options	To seek approval of the development proposal and associated financial model prior to submitting scheme for planning approval.	Couzens, Shaun; Williams, Mark	Cllr. Phipps, Lisa
13/11/19	20/21 Draft Budget Proposals	To discuss the draft budget proposals	Harris, Stephen R	Cllr. Jones, Barbara
13/11/19	Proposed Use of Reserves	To consider proposals for the use of reserves.	Harris, Stephen R	Cllr. Jones, Barbara

13/11/19	Corporate Volunteering	To consider our options for the establishment of a Corporate Volunteering Scheme on a Directorate or Whole Organisation basis.	Peters, Kathryn; Street, Dave	Cllr. Cuss, Carl J.
13/11/19	Integrated Wellbeing Hubs	To provide an update to Cabinet	Street, Dave	Cllr. Cuss, Carl J.
13/11/19	(9) Structured programme of service reviews to be agreed	Strategic Action Plan - item to be agreed.	Harris, Stephen R	Cllr. Jones, Barbara
13/11/19	(11) Commercial and Investment Strategy to be drafted and approved by Cabinet	Strategic Plan - item to be approved	Harrhy, Christina	Cllr. Jones, Barbara
27/11/19	Renewable Energy Generation - Tredomen Campus	To present a basket of options to Cabinet for achieving carbon neutrality at the Tredomen Campus	Williams, Mark	Cllr. Morgan, Sean
11/12/19	Cabinet Forward Work Programme	For discussion and update	Tranter, Robert J.	Cllr. Jones, Barbara
15/01/20	Community Asset Transfer Policy to be finalised and approved by Cabinet (16- #Team Caerphilly Strategic Action Plan)	Approval by Cabinet of Community Asset Transfer Policy	Harris, Stephen R	Cllr. Phipps, Lisa
15/01/20	Community Sport - Regional agenda	To consider future delivery options for community sport on a regional (pan "Gwent") basis.	Lougher, Jared	Cllr. George, Nigel
15/01/20	Develop a Consultation and Engagement Framework to support empowered communities to come on this journey with us. - (17- #Team Caerphilly Strategic Action Plan)		Harrhy, Christina	Cllr. Jones, Barbara
29/01/20	Caerphilly County Borough Council's Strategic Equality Plan 2020-2024	To seek approval of the Strategic Equality Plan 2020-2024 to be formally adopted as Council Policy.	Cullinane, Anwen	Cllr. Jones, Barbara
12/02/20	Heads of the Valleys Masterplan	The report is seeking the view of members prior to its presentation to Cabinet, where Cabinet will be asked to endorse the Draft Masterplan as the basis for a public consultation exercise.	Kyte, Rhian	Cllr. Stenner, Eluned
11/03/20	EAS Business Plan		Cole, Keri	Cllr. Marsden, Philippa
	Hafodyrynys Air Quality Direction - Compulsory Purchase Order Process	To obtain Cabinet agreement on the Compulsory Purchase process on Hafodyrynys Road.	Godfrey, Maria	Cllr. Stenner, Eluned

Scrutiny Committee Forward Work Programme Prioritisation



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HOUSING AND REGENERATION SCRUTINY COMMITTEE – 15TH OCTOBER 2019

SUBJECT: BUDGET MONITORING REPORT 2019/2020

REPORT BY: INTERIM CORPORATE DIRECTOR, COMMUNITIES

1. PURPOSE OF REPORT

1.1 To inform Members of the most recent budget monitoring position for 2019/2020 for Communities Directorate Service Divisions, including Regeneration & Planning Division, Infrastructure Services Division, Public Protection Division and Community & Leisure Services Division.

2. SUMMARY

2.1 The report summarises the most recent budget monitoring projections for 2019/2020 based on the latest available financial information.

2.2 The attached appendices outline more detailed budget monitoring figures for each of the Council Fund Services outlined in paragraph 1.1 above.

3. RECOMMENDATIONS

3.1 Members are requested to note the contents of this report and the detailed budget monitoring pages that follow.

4. REASONS FOR THE RECOMMENDATIONS

4.1 The Council Budget is based on the achievement of both expenditure and income targets. In order to ensure that these are met and the Council's financial integrity is maintained Directors are required to review income and expenditure trends.

5. THE REPORT

5.1 INTRODUCTION

5.1.1 The report outlines the revenue budget position for each of the service Divisions that form part of the Communities Directorate based on the most current financial information available. Projected outturn figures for the financial year are compared with the budget to show the anticipated under/overspends. More detailed budget monitoring figures are shown in the appendices' 1a to 1d.

5.1.2 It should be noted that the budget report to Council on 21st February 2019 detailed the need

to apply further budget efficiency savings in 2019/2020 to meet medium term financial plan (MTFP) targets and achieve budget strategy aims. Communities Directorate services were targeted to achieve new budget efficiency savings of £5.213million.

- 5.1.3 The table 1 below summarises the present budget monitoring position, with an overall Directorate over spend of £3k, but **exclusive** of ring fenced budgets this over spend is increased to £14k. Appendices 1a to 1d provide more detail on the budget variation projections for each Service Division.

TABLE 1	ORIGINAL ESTIMATE 2019/2020	REVISED ESTIMATE 2019/2020	ANTICIPATED OUTTURN 2019/2020	ANTICIPATED VARIANCE 2019/2020 Under (Over)
	£000	£000	£000	£000
Regeneration & Planning Division	2,246	2,246	2,244	2
Infrastructure Division	17,937	17,937	18,464	(527)
Public Protection Division	7,240	7,286	6,835	451
Community & Leisure Services Division	20,953	20,953	20,890	63
Directorate General	173	173	165	8
NET DIRECTORATE	48,549	48,595	48,598	(3)
Home to School Transport - ring fenced under spend				10
Social Services Transport - ring fenced over spend				(50)
Cemeteries Task & Finish - ring fenced under spend				51
NET DIRECTORATE over spend (excluding ring fenced budgets)				(14) (Representing 0.03% of Directorate Budget)

5.2 REGENERATION & PLANNING DIVISION

- 5.2.1 Overall, the service division presently has a small projected under spend of £1.9k.
- 5.2.2 Development Control is reporting an under spend of £8k due to delayed filling of a vacant post. At present planning application fee income is projected to be close to the budget of £538k albeit this can vary during the year depending on the number and type of planning applications received. Pre-application advice fee income is projected at £24k, £5k below budget. Building Control is reporting overspend of £72k with income presently projected to be £75k below the £273k budget, building control fee income has in recent years been well below the budget.
- 5.2.3 Strategic Planning is presently projected to be £47k underspent due to delayed filling of a vacant post and staff on reduced working hours. Planning administrative, technical and GIS/Land Gazeteer support services is underspent by £38k again due to delayed filling of two vacant posts. These underspends are part offset by overspend in the Land charge service of £14k due to a shortfall in search fee income.
- 5.2.4 Business Support has underspend of £92k which is due to delays in filling vacant posts and reduction in some operational costs such as printing, postage and I.T related costs. Urban Renewal is reporting underspend of £22.5k mainly due to additional income generated from staff project fees working on various capital grant funded projects. These underspends are

partly offset by overspend in relation to Bargoed Unit Shops of £32k, due to under occupancy, however there is now only one shop unit remaining vacant and the service is actively trying to secure tenancy for this unit.

- 5.2.5 Town Centre Management is underspent by £38k due to delayed filling of the vacant Town Centre Manager post. Marketing & Promotion is underspent by £13.6k due to non- filling of a part time post and reductions in some operating costs.
- 5.2.6 There is a projected £185k over spend in relation to industrial properties primarily due to shortfall in property rents resulting from a number of units being unoccupied, albeit rental income is projected to be £2.1million. The service is proactively seeking to ensure vacant units are let as quickly as possible by identifying businesses interested in taking up a rental.
- 5.2.7 Overall Tourism Venues are reporting a combined small underspend of £1k. Llancaiach Fawr is reporting over spend of £37k primarily due to a shortfall in income, albeit income generation has improved compared to last financial year, with the venue endeavouring to increase visitor numbers including school visits and the coach party trade. Cwmcarn Forest Drive is reporting overspend of £38k partly due to the need to fund invest to save costs associated with the new Lodges installed and partly a shortfall in income from delays in installation of the new Lodges. It is anticipated that in future years visitor numbers and income will increase as a result of the investments undertaken at the venue, including Lodges, adventure playground and improved trails. The Winding House museum is reporting underspend of £54k where underspend in staffing due to vacant posts is partly offset by an underachievement in income. Caerphilly Visitors Centre is reporting underspend of £15k and BMI underspend of £14k.
- 5.2.8 Tourism events report underspend of £28k, primarily due to underspend in relation to the Big Cheese where excellent weather and some changes to the event delivery offer assisted in increasing income generation and reduced operating costs.
- 5.2.9 Community Regeneration is reporting a break even budget.
- 5.2.10 There is underspend in senior management and administrative support of £37.9k due to a combination of delayed filling of vacant posts and staff not paid at the top of the incremental scale.
- 5.2.11 Children and Communities and C4W initiatives are both fully funded from grant, albeit C4W is projected to underspend with less grant income therefore being claimed.

5.3 INFRASTRUCTURE DIVISION

- 5.3.1 Infrastructure is reporting over spend of £527k on a £19.937million budget, but after excluding budget variations in relation to Home to School Transport (£10k underspend) and Social Services Transport (£50k over spend) which will be ring fenced and appropriated back to the Service Directorates, there is an over spend of 487k.
- 5.3.2 Highway Operations is reporting overspend of £627k, however, £500k of this relates to winter maintenance, where there was a one-off MTFP saving in 2019/2020 of £500k, but with the option of utilising the existing winter maintenance ring fenced reserve if expenditure on winter maintenance exceeds the temporarily reduced budget. At present winter maintenance costs are difficult to predict but it is assumed they will be similar to last year (£1.1million) and the reserve will be utilised. There is also £93k overspend in relation to street lighting energy due to energy price increases above inflation. Ongoing investment in LED street lights will in future years assist in reducing energy costs and reduce the risk of budget overspend and also provide an opportunity for future year MTFP savings. Work in relation to sustainable drainage systems (SUDS) presently has under-recovery of costs of £40k primarily due to low levels of application/pre application advice, this element of income is external income from building developers and other local authorities (via SLA agreements) and finances the staffing and other technical costs associated with CCBC's role as a Suds Approving Body (SAB). The

early indication is that many developers applied for planning permission early before the legislation changed, so it is likely that 2019/20 is not a typical year and improvements in income generation will increase over time, this will be monitored closely. At present the £3.1million highway maintenance budget is expected to be close to break-even albeit the expected amount of reactive maintenance required is difficult to predict and every effort will be made to manage the maintenance programme within the budget available.

- 5.3.3 EPG (Engineering Projects Group) is reporting underspend of £14.8k with reduced fee income offset by reduced expenditure associated with delayed filing of posts.
- 5.3.4 Transportation Engineering overall is projecting a £42.4k under spend, with a shortfall in car park income of £18k (on £691k budget). Car parking charges were increased part way through this year and early indications are that this has assisted in meeting the income target shortfall experienced in previous years and part achieved the MTFP saving of £40k implemented in 2019/2020. There is also an under-recovery of expenditure of £35k in relation to the new civil parking enforcement (CPE) function albeit an element of this will be funded from ring fenced reserve in relation to CPE set up costs. These overspends are however more than offset by staffing underspend of £90k, of which £46k relates to school crossing patrols that failed to meet the Road Safety GB's national standard.
- 5.3.5 Public Transport is reporting an under spend of £50k, mainly due to delayed filling of staff posts and additional grant income.
- 5.3.6 At this stage Network Contracting Services (NCS) is anticipating a surplus of £32k with an underachievement in the income target of £198k being more than offset by reducing operating costs including vacant posts. NCS is heavily dependent on the volume and value of work secured during the year and this is monitored closely along with productivity levels within the workforce.
- 5.3.7 Home to School Transport is presently projecting an underspend of £10k on a £7.1million budget, but the financial position will be monitored closely as it is subject to variation during the year.
- 5.3.8 Social Services Transport is projecting over spend of £50k on a £1.45million budget. This is due to an inability to date to achieve the £50k MTFP saving applied in 2019/2020 against its fleet and contracted services mainly as a result of an increase in unplanned fleet vehicle maintenance and repairs.

5.4 PUBLIC PROTECTION

- 5.4.1 Public Protection is presently projecting an under spend of £451k on an overall revenue budget of £7.235million.
- 5.4.2 Environmental Health is currently projecting a net underspend of £296k. This is partly due to a £155k underspend in salaries from a combination of staff on unpaid leave, staff on reduced hours and delayed filling of vacant posts. There is also additional income of £10k in the Enforcement team in relation to the final year of the pest control SLA agreement with Blaeneu Gwent. There is then also likely to be additional funding of £131k from WG to finance staff time associated with the Hafodyrynys air pollution issues. There are a number of ongoing issues in respect of air quality, pollution and contaminated land including possible increase in discharge consents associated with Coed Top and also costs in relation to Cray Valley. Costs associated with air quality, pollution and contaminated land sites are being closely monitored as any increases in this area would impact on the overall financial position.
- 5.4.3 Trading Standards, Licensing, Community Safety and CCTV has a projected net underspend of £116k. This is primarily in relation to staffing costs (£95k) from delayed filling of vacant posts and staff not currently top of the incremental scale in the Commercial Services and Consumer Protection teams and also Registrars. Registrars income is projected to exceed the

£246k budget by £18k and Licensing fee income is at present anticipated to be close to budget of £320k although this can be subject to variation so this will be monitored closely.

- 5.4.4 Catering Services are projecting overall small underspend of £39k on a £3.612million budget, this includes underspend in relation to Comprehensive schools (£48.9k) mainly due to underspend in staffing and over achievement in income, assisted by an increase in the number of schools implementing a policy of school children not leaving the premises at lunch time. However there is projected overspend in Primary schools of £41k where overspend in staffing is offset by underspend in operating costs particularly food costs. Income generation in the schools will be monitored closely as it can vary depending on pupil take up, school disruptions due to poor weather etc. There is underspend in relation to the staff restaurant & meals direct services based at Ty Penallta of £36k and underspend in HQ costs of £3k.

5.5 COMMUNITY & LEISURE SERVICES

- 5.5.1 The Community & Leisure Division is presently projecting overall net underspend of £63k on a budget of £20.953 million.
- 5.5.2 Waste Management & Cleansing Services is presently reporting a break even position on a budget of £13.507 million. Anticipated overspend in waste collection costs for the various waste streams (£265k), primarily due to additional agency cover, sickness absence cover and vehicle running costs. This is offset by underspend in waste treatment costs (£355k) primarily due to reduced tonnage of waste in relation to organic and dry recyclable waste and also reduced waste at the CA sites due to introduction of proof of residency and a reduction in out of County waste being deposited at the CA sites. Waste treatment costs will be monitored closely as they can vary due to changes in tonnage of waste and variations in contract prices. There is a corporate contingency reserve of £400k available to finance any overspend in relation to recycling treatment, but at present this will not be required. There is overspend in relation to commercial waste due to a shortfall in income of £226k, albeit this may improve after an approved increase of 2.4% in commercial waste collection charges from October 2019. There is projected underspend in street cleaning of £94k due to a combination of staff vacant posts and vehicle running costs and HQ staffing also shows underspend of £51k due to vacant posts.
- 5.5.3 An underspend of £162k is projected for Parks & Countryside, Outdoor Facilities and Cemeteries. Cemeteries is reporting a £51k under spend due to income in excess of budget and reductions in maintenance expenditure. Any underspend in relation to cemeteries is ring fenced for future investment in cemetery infrastructure. Parks & Countryside combined is reporting underspend of £74k primarily due to staff vacant posts and Parks HQ underspend of £36k due to vacant post.
- 5.5.4 Leisure Centres are reporting a net overspend of £44k, this is due to a combination of reduction in free swim grant funding of £53k and shortfall in income targets of £211k offset by underspend in staffing & tutor pay costs and other operating costs. Income generation at the Leisure centres can vary depending on consumer demand, operational closures due to adverse weather, closures due to maintenance and refurbishments and general variations in consumer demand, so this is monitored closely throughout the year. There is also underspend in Leisure HQ of £33k primarily due to a vacant post.
- 5.5.5 Community Centres are at present projecting underspend of £5.9k on a £364k budget due to reductions in operating costs. Caerphilly Adventures is reporting overspend of £96k primarily linked to increased staffing costs and operating costs without an offsetting increase in income. The service is presently reviewing the pricing structure as there have been no increases in charges to clients for 10 years, which does impact on the overall financial position. Any increase in charges will impact particularly on some of the largest clients such as Education for alternative curriculum services. Sports Development has underspend of £2.6k

- 5.5.6 Vehicle Maintenance & Fleet Management is currently projecting overspend of £56k. The outturn position will be dependent on the value of work through the workshop over the next few months and the ability to finance fixed overheads.
- 5.5.7 Building Cleaning is at present reporting underspend of £55k, due to income greater than budgeted offset by staff additional hours to cover sickness and holidays. The service is continually seeking to secure additional cleaning contract work to sustain employments levels and finance fixed overheads.

5.6 MEDIUM TERM FINANCIAL PLANS (MTFP) SAVINGS 2019/2020

5.6.1 The 2019/20 revenue budget for Communities Directorate included targeted MTFP savings of £5.213million as summarised in table 2 below. The projected overspends and under spends discussed in the above paragraphs take account of these savings targets.

TABLE 2

Service Division	Approved Savings 2019/2020 £000
Regeneration & Planning Division	528
Infrastructure Services Division	2,596
Public Protection Division	389
Community & Leisure Services Division	1,700
TOTAL	5,213

5.6.2 Most of the £5.213million MTFP savings applied in 2019/2020 are being achieved or are expected to be achieved. However at present a number of MTFP savings are not being fully achieved and the position on these will be monitored closely, the under achieved MTFP savings include:

- Regeneration, Tourism Venues Cwmcarn £10k, unachieved due to shortfall in income as noted in paragraph 5.2.8.
- Leisure Centres increased income budgets £50k, not fully achieved due to variations in customer demand paragraph 5.5.4.
- Leisure Services, Caerphilly Adventures operational budget reduction £12k, not achieved due to anticipated overspend in the service paragraph 5.5.5.
- Infrastructure, increased car park charges £40k, income budget not fully achieved as noted in paragraph 5.3.4.
- Infrastructure, Social Services transport £50k unachieved in relation to savings against its fleet and contracted services as noted in paragraph 5.3.8.
- Infrastructure, Public Transport bus subsidies £68k, underachieved by £17k as not introduced until July, but will be achieved in a full financial year.

5.6.3 Most of the unachieved MTFP savings are associated with additional income generation, which does have a greater risk of non-achievement, often due to the volatility in customer demand for services and factors outside the control of the service that can impact on usage and income levels (general economic climate, weather, consumer trends etc.)

5.7 CONCLUSION

The Communities Directorate provides a diverse range of services, as outlined in the report and appendices and the report notes that the services face significant ongoing financial pressures due to the requirement to achieve budget savings in support of the Council's medium term financial plan. Operational managers will endeavour to ensure that service net expenditure does not exceed the budget available.

6. ASSUMPTIONS

- 6.1 Expenditure and income projection assumptions are included in this report based on a combination of historical trends, present and anticipated future service activity and staffing levels and vacancies.

7. LINKS TO RELEVANT COUNCIL POLICIES

- 7.1 The content of the report is in accordance with the budget strategy considered and approved by Council at its meeting of 21st February 2019.
- 7.2 The budget figures outlined in this report assist in meeting the ambition of the Authority to build better communities by building better public services, building better lifestyles, building a vibrant economy and building Futures Changing Lives.
- 7.3 Budget management itself is in accordance with the corporate theme of Delivering the Strategies.
- 7.4 Effective financial planning and financial control contribute to the following Well-being Goals within the Well-being of Future Generations (Wales) Act 2015:-
- A prosperous Wales
 - A resilient Wales
 - A healthier Wales
 - A more equal Wales
 - A Wales of cohesive communities
 - A Wales of vibrant culture and thriving Welsh Language
 - A globally responsible Wales

8. WELL-BEING OF FUTURE GENERATIONS

- 8.1 Effective financial management is a key element in ensuring that the Well-being Goals within the Well-Being of Future Generations (Wales) Act 2015 are met.

9. EQUALITIES IMPLICATIONS

- 9.1 There are no potential equalities implications of this report and its recommendations on groups or individuals who fall under the categories identified in Section 6 of the Council's Strategic Equality Plan. There is no requirement for an Equalities Impact Assessment Questionnaire to be completed for this report.

10. FINANCIAL IMPLICATIONS

- 10.1 As noted in the table in paragraph 4.1.3 above some service under/over spends will be appropriated to ring fenced reserves including Social Services Transport (£50 overspend), Home to Schools Transport (£10k underspend) and Cemeteries (£51k underspend). In line with the Councils reserves protocol, general revenue underspends not subject to specific ring fencing are appropriated to Directorate strategic reserves and Council working balances on a 50/50 basis, however any Directorate over spends will be appropriated to Service Directorate reserves in full and will require funding from previous years reserve balances where they exist or future years revenue budgets.
- 10.2 Based on current projections, combined general revenue overspend for the Directorate of £14k in relation to Regeneration & Planning, Infrastructure, Community & Leisure services and Public Protection would be appropriated to Communities Strategic reserve (this excludes ring fenced under/overspends noted in paragraph 10.1). However as noted in paragraph 5.3.2 if there is overspend in the Infrastructure Divisions winter maintenance budget as presently projected, then £500k of this overspend will be funded from the ring fenced winter maintenance reserve, resulting in a net underspend appropriation to the Directorate reserve of £486k.
- 10.3 As noted in paragraph 4.1.3, the overall outturn position of each Service Division may well be affected by one-off pension strain and voluntary severance costs associated with staff based savings linked to the 2020/2021 budget and MTFP strategy.

11. PERSONNEL IMPLICATIONS

- 11.1 Members will be aware that when setting the budget, MTFP savings were identified for the Communities Directorate in relation to vacancy management savings, these are reflected in the financial figures reported.

12. CONSULTATIONS

- 12.1 There are no consultation responses, which have not been included in this report.

13. STATUTORY POWER

- 13.1 Local Government Act 1972 and 2000.

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Consultees Councillor John Ridgewell Chair Housing & Regeneration Scrutiny Committee
Councillor Christine Forehead, Vice Chair Housing & Regeneration Scrutiny Committee
Mark S Williams Interim Corporate Director of Communities
Robert Hartshorn, Head of Community & Leisure, Policy and Public Protection
Rhian Kyte, Head of Regeneration and Planning
Marcus Lloyd, Head of Infrastructure
Steve Harris, Interim Head of Business Improvement Services & Deputy Section 151 Officer
Jane Southcombe, Education Financial Services Manager
Dave Roberts, Principal Group Accountant
Paul Adams, Senior Assistant Accountant
Mike Jones, Interim Financial Services Manager Social Services

Background Papers:

Divisional budget monitoring working papers 2019/2020

Appendices:

Appendix 1A Budget Monitoring Report - Regeneration and Planning

Appendix 1B Budget Monitoring Report - Infrastructure Services Division

Appendix 1C Budget Monitoring Report - Public Protection Division

Appendix 1D Budget Monitoring Report - Community and Leisure Services

Links to other Documents:

Council Meeting 21/2/2019: Budget Proposals 2019/20 and Medium-Term Financial Plan 2019/20 to 2023/2024, Agenda Item No. 3

<https://democracy.caerphilly.gov.uk/ieListDocuments.aspx?CId=127&MId=11711&LLL=0>

DIRECTORATE OF COMMUNITIES		Estimate 2019/20	Revised Estimate 2019/20	Projected Outturn 2019/2020	Variance 2019/20
<u>REGENERATION & PLANNING</u>					
Regeneration & Planning Senior Management Support		208,655	208,655	193,203	15,452
Regeneration & Planning Administrative Support		513,247	513,247	490,795	22,452
Support Services					
Business Support & Urban Renewal		425,839	425,839	341,985	83,854
Events		88,630	88,630	60,484	28,146
Property Operations		(1,271,593)	(1,271,593)	(1,086,412)	(185,181)
Town Centre Management		105,241	105,241	67,221	38,020
Marketing & promotion		183,523	183,523	169,828	13,695
Tourism Venues					
Tourism Venues Management Support		60,324	60,324	69,037	(8,713)
Llanciach Fawr		377,905	377,905	414,675	(36,770)
Winding House & Museum		208,114	208,114	153,340	54,774
Caerphilly Visitor Centre		65,539	65,539	50,147	15,392
Cwmcarn Visitor Centre		247,164	247,164	285,823	(38,659)
Blackwood Miners Institute		327,815	327,815	313,314	14,501
Arts Development		152,792	152,792	152,792	0
Community Regeneration					
		136,969	136,969	136,940	29
Children & Communities Grant					
Expenditure		1,403,068	1,403,068	1,403,068	0
Grant Funding		(1,403,068)	(1,403,068)	(1,403,068)	0
C4W Grant					
Expenditure		601,975	601,975	538,200	63,775
Grant Funding		(601,975)	(601,975)	(538,200)	(63,775)
Planning Services					
Planning Services Management		76,647	76,647	77,383	(736)
Strategic Planning		333,058	333,058	286,335	46,723
Development Control		(87,723)	(87,723)	(96,591)	8,868
Building Control		(56,204)	(56,204)	15,741	(71,945)
Land Charges		(7,114)	(7,114)	6,756	(13,870)
GIS & Land Gazetteer		157,546	157,546	141,632	15,914
TOTAL NET BUDGET		2,246,374	2,246,374	2,244,428	1,946

<i>ENVIRONMENT DIRECTORATE</i>	Page No	Estimate 2019/20	Revised Estimate 2019/20	Projected Outturn 2019/2020	Variance 2019/2020
<i>INFRASTRUCTURE DIVISION</i>					
<i>HIGHWAY OPERATIONS</i>		7,496,995	7,496,995	8,124,575	(627,580)
<i>ENGINEERING PROJECTS GROUP</i>		(94,021)	(94,021)	(109,981)	15,960
<i>TRANSPORTATION ENGINEERING</i>		455,685	455,685	413,230	42,455
<i>PASSENGER TRANSPORT</i>		1,617,349	1,617,349	1,567,419	49,930
<i>HOME TO SCHOOL TRANSPORT</i>		7,115,947	7,115,947	7,106,208	9,739
<i>SOCIAL SERVICES TRANSPORT</i>		1,455,068	1,455,068	1,505,068	(50,000)
<i>NETWORK CONTRACTING SERVICES</i>		(128,565)	(128,565)	(160,388)	31,823
<i>ENGINEERING - GENERAL</i>		18,700	18,700	18,084	616
<i>TOTAL NET EXPENDITURE</i>		17,937,158	17,937,158	18,464,215	(527,057)

<i>DIRECTORATE OF THE ENVIRONMENT</i>	Page No	Estimate 2019/2020	Revised Estimate 2019/2020	Projected Outturn 2019/2020	Variance 2019/2020
<u>PUBLIC PROTECTION DIVISION</u>					
<i>TRADING STANDARDS</i>		757,674	757,674	686,705	70,969
<i>LICENSING</i>		90,579	90,579	90,232	347
<i>REGISTRARS</i>		66,697	66,697	30,605	36,092
<i>CCTV</i>		429,739	429,739	426,483	3,256
<i>COMMUNITY WARDENS</i>		235,127	235,127	175,766	59,361
<i>CORPORATE AND DEMOCRATIC COSTS (CDC)</i>		56,633	56,633	51,688	4,945
<i>HEALTH DIVISIONAL BUDGET</i>		287,422	287,422	290,626	(3,204)
<i>COMMUNITY SAFETY PARTNERSHIP</i>			45,653	45,653	0
<i>ENFORCEMENT</i>		628,848	628,848	557,461	71,387
<i>POLLUTION</i>		391,524	391,524	239,737	151,787
<i>FOOD TEAM</i>		579,750	579,750	563,570	16,180
<i>EMERGENCY PLANNING</i>		103,510	103,510	103,125	385
<i>CATERING</i>		3,612,851	3,612,851	3,573,285	39,566
<i>TOTAL NET EXPENDITURE</i>		7,240,354	7,286,007	6,834,936	451,071

<i>DIRECTORATE OF THE ENVIRONMENT</i>	Page No	Estimate 2019/2020	Revised Estimate 2019/2020	Projected Outturn 2019/2020	Variance 2019/2020
<u>COMMUNITY & LEISURE SERVICES</u>					
WASTE MANAGEMENT					
<i>Residual Waste</i>		2,308,527	2,308,527	2,408,672	(100,145)
<i>Organics recycling</i>		1,416,330	1,416,330	1,256,414	159,916
<i>Civic Amenity Sites</i>		3,056,924	3,056,924	2,977,894	79,030
<i>Waste Transfer Station</i>		111,580	111,580	148,260	(36,680)
<i>Dry Recycling</i>		2,534,207	2,534,207	2,589,667	(55,460)
<i>RCCO</i>		91,000	91,000	91,000	0
<i>Bulky Waste</i>		127,833	127,833	122,173	5,660
<i>Commercial Waste</i>		(532,533)	(532,533)	(307,679)	(224,854)
<i>Other Waste</i>		22,761	22,761	18,929	3,832
<i>Trehir</i>		129,253	129,253	98,232	31,021
<i>Sustainable Waste Management Grant</i>		(942,804)	(942,804)	(939,609)	(3,195)
<i>HQ Staff</i>		1,204,318	1,204,318	1,152,585	51,733
CLEANSING					
<i>Public Conveniences</i>		0	0	4,256	(4,256)
<i>Street Cleansing</i>		3,980,053	3,980,053	3,886,285	93,768
GROUND MAINTENANCE AND PARKS					
<i>Cemeteries</i>		(193,454)	(193,454)	(244,530)	51,076
<i>Allotments</i>		37,172	37,172	18,963	18,209
<i>Parks and Playing Fields</i>		1,693,830	1,693,830	1,661,689	32,141
<i>Playgrounds</i>		281,512	281,512	279,613	1,899
<i>Outdoor facilities</i>		242,600	242,600	244,875	(2,275)
<i>Community Assets Funding</i>		0	0		0
<i>Countryside</i>		915,267	915,267	890,807	24,460
<i>HQ Staffing</i>		1,011,762	1,011,762	975,182	36,580
LEISURE SERVICES					
<i>Leisure Centres</i>		2,614,006	2,614,006	2,624,874	(10,868)
<i>Sports & Health Development</i>		21,262	21,262	18,567	2,695
<i>Outdoor Education</i>		149,939	149,939	246,120	(96,181)
<i>Community Centres</i>		364,722	364,722	358,785	5,937
		20,646,067	20,646,067	20,582,024	64,043
<i>Building Cleaning</i>		579,609	579,609	524,472	55,137
<i>Vehicle Maintenance & Fleet Management</i>		(272,828)	(272,828)	(216,828)	(56,000)
Total net expenditure Community & Leisure Services		20,952,848	20,952,848	20,889,668	63,180

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HOUSING AND REGENERATION SCRUTINY COMMITTEE – 15TH OCTOBER 2019

**SUBJECT: COMPLAINTS, REPRESENTATIONS AND COMPLIMENTS –
CAERPHILLY HOMES**

**REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE
SERVICES**

-
- 1.1 The attached report, which was considered by the Caerphilly Homes Task Group on 10th September 2019 provided Members with information on the contacts in relation to representations by the Authority's Housing Customer Services Section, from 1st April 2018 to 31st March 2019.
 - 1.2 The monitoring of complaints and representations is carried out to provide information on the level of satisfaction with the service provided by Caerphilly Homes. The results enable Managers to focus on areas of concern and positive feedback, with the aim of improving services and monitoring performance and ensuring that where issues are identified similar problems are avoided in the future. The corporate complaints procedure places an emphasis on learning from complaints. Examples of complaints which led to changes in policies and procedures were highlighted within the report.
 - 1.3 Clarification was sought on the table at 5.2.3 of the report and complaints to the Chief Executive and Service Requests. It was noted that often the Chief Executive Office will take complaints from a variety of services for all areas within the Council, and are provided with a reference number. More often than not, complaints are passed on from residents via their MP's or AM's. Service Requests are received by the relevant Housing Department. Further queries were raised in relation to the Chief Executive contact and whether these contacts were due to a lack of response from the Housing Department. The Task Group were reassured that often the Chief Executive Office is the first port of call.
 - 1.4 Discussions took place around complaints to the Ombudsman and the process should a complaint be upheld. Officers explained that it would depend on the recommendation of the Ombudsman, the Council could be asked to apologise to the complainant, or apologise and offer monetary compensation, depending on the complaint, or it could result in additional training being required. It was noted that these recommendations are undertaken as soon as possible, unless training is required, in which case implementation could take a little more time to arrange.
 - 1.5 The Caerphilly Homes Task Group were pleased to note the number of expressions of Praise given as outlined within the report. It was noted that only written praise is recorded, in the form of emails, letters or cards, however, whilst verbal praise is received, it is not recorded in the data.
 - 1.6 Having considered the report, the Caerphilly Homes Task Group noted its contents.
 - 1.7 The Housing and Regeneration Scrutiny Committee are asked to note the contents of the report and the above comments from the Caerphilly Homes Task Group

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

Appendices:

Appendix Report to the Caerphilly Homes Task Group on 10th September 2019 – Agenda Item 5



CAERPHILLY HOMES TASK GROUP – 10TH SEPTEMBER 2019

SUBJECT: COMPLAINTS, REPRESENTATIONS AND COMPLIMENTS – CAERPHILLY HOMES

REPORT BY: CORPORATE DIRECTOR – SOCIAL SERVICES AND HOUSING

1. PURPOSE OF REPORT

- 1.1 To provide information on contacts in relation to complaints and representations received by the Authority's Housing Customer Services Section, from 1st^t April 2018 to 31st March 2019.

2. SUMMARY

- 2.1 The monitoring of complaints and representations is carried out to provide information on the level of satisfaction with the service provided by Caerphilly Homes. The results enable Managers to focus on areas of concern and positive feedback, with the aim of improving services and monitoring performance and ensuring that where issues are identified similar problems are avoided in the future. The corporate complaints procedure places an emphasis on learning from complaints. There have been examples of complaints which have led to changes in policies and procedures and these are explained in the report.

3. RECOMMENDATIONS

- 3.1 This report is for information purposes only.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 The monitoring of complaints forms part of the process to monitor performance and continuous improvement for Caerphilly Homes.

5. THE REPORT

- 5.1 The annual report is based on information collected during the financial year 1st April 2018 to 31st March 2019. Complaints received about the Housing Service are recorded and responded to in accordance with the Council's two stage corporate complaints policy, which was implemented in April 2013. This was based on guidance issued by the Public Services Ombudsman for Wales. If, after following these two stages, the complainant is not satisfied with the outcome of their complaint they can progress their complaint to the Public Services Ombudsman for Wales.

5.2 Overall Numbers

- 5.2.1 In addition to recording Stage 1, Stage 2 and Ombudsman complaints, Caerphilly Homes Customer Services Section also records any service requests received directly by the

Customer Services Section and any housing related correspondence received by the Chief Executive. In general, contacts recorded as service requests relate to the first time the service area has been made aware that there has been an issue in dealing with the matter concerned. Reasonable judgement is used, based on the information available at the time and these cases are often deemed to be 'business as usual' situations. However, if enquiries identify previous dealings on the same issue then the matter can be escalated through the complaints procedure. It is not necessary for the contact to specifically state that they want the issue dealt with as a complaint as this would be determined from the detail of the contact and any previous dealings on the same subject.

5.2.2 Between 1st April 2018 and 31st March 2019 the Customer Services Section of Caerphilly Homes recorded a total of 639 contacts from the public and/or their representative. This is in comparison with 682 between 1st April 2017 and 31st March 2018.

5.2.3 The table below details contacts received by the Chief Executive and those recorded as service requests. Details of Stage 1 and Stage 2 cases are in 5.5 and 5.6. It is noted that the number of service requests relating to WHQS external works increased during 2018/19. This is thought to be due to the fact the external programme of works increased significantly during this period with more properties receiving such work. The service requests generally relate to quality, amount of work undertaken, communication, site conditions and timescales.

Function Area	Chief Exec		Service Request	
	2017/18	2018/19	2017/18	2018/19
Response Repairs	10	3	92	59
Housing Management	48	32	88	94
Antisocial Behaviour	3	10	51	33
Allocations	37	48	14	22
Homelessness	10	9	11	9
WHQS Internal	12	7	79	59
Heating	3	3	23	23
Sheltered Housing	2	4	7	4
Grants	8	2	4	1
WHQS External	16	11	76	118
Rents	3	1	3	5
Adaptations	3	2	4	1
Energy Works	0	0	0	0
Enforcement Action	0	1	1	0
Leaseholder	1	2	1	3
Other	0	0	0	0
Tenant Participation	0	0	1	2
Private Landlord	1	0	1	1
Total	157	135	456	434

5.2.4 The number of contacts received via an advocate was 184 compared with 224 in 2017/18. Examples of the types of advocate used include MP, AM, Councillors, other tenants and family members.

5.3 Praise and Thanks

5.3.1 Records are also kept of any praise or thanks received by Caerphilly Homes. In 2018/19 there were 65 recorded. This is in comparison with 78 for 2017/18. These covered a number of service areas, as detailed below :-

Praise or Thanks		
	2017/18	2018/19
Rents	7	4
Allocation	1	0
Leaseholder Services	3	2
Housing Management	8	6
Responsive Repairs	18	21
Tenancy Enforcement	4	4
Tenant Participation	1	0
Sheltered Housing	8	5
WHQS	20	18
Homelessness	1	0
Adaptations	1	2
Heating	2	1
Grants	4	2
Total	78	65

5.4 Stage 1 and Stage 2 Complaints

5.4.1 Stage 1 of the complaints procedure offers the opportunity for the complaint to be resolved at the point of service delivery. These complaints are referred to the appropriate service manager for any necessary action and response. If the complainant is not satisfied with the outcome at Stage 1 they are advised how the complaint can be progressed to Stage 2. Alternatively, complainants can request their complaint is escalated straight to a Stage 2 investigation. In addition, where an appeals procedure is in place this must be exhausted before progressing to a Stage 2 complaint. Stage 2 complaints are investigated by the Customer Services Section, on behalf of the Head of Service or nominated Officer.

5.4.2 There were 44 Stage 1 complaints recorded for Caerphilly Homes in 2018/19 compared with 45 in 2017/18. There were 26 Stage 2 complaints in 2018/19 compared with 24 in 2017/18. Of the 26 Stage 2 complaints received in 2018/19, 14 had progressed from a Stage 1 complaint.

5.4.3 As detailed in the table below the largest number of Stage 1 complaints (11) related to housing management issues. An analysis of these complaints shows they were in relation to a variety of aspects of the service including a recharge to an owner/occupier for a shared fence repair, query over tenancy termination date, support issues, assistance with moving costs, decoration allowance, garden conditions and erection of CCTV signs. All but one of these complaints were resolved at Stage 1.

5.4.4 There were 8 WHQS (internal) Stage 1 complaints. The majority related to the quality of workmanship but they also included delays in providing works and requests to review decisions not to renew the kitchen. 6 of these cases were not resolved to the complainant's satisfaction and progressed to Stage 2 complaints.

5.4.5 There were 8 WHQS (external) Stage 1 complaints. These related to quality of workmanship and potential health and safety issues. 5 cases were resolved to the tenant's satisfaction and 3 cases progressed to Stage 2.

Function Area	Stage 1		Stage 2		Progressed	
	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
Housing Management	25	11	11	8	8	2
WHQS (Internal)	3	8	3	7	1	6
Response Repairs	3	4	1	1	1	1
Allocations	2	4	0	1	0	1
Leaseholders	1	1	2	2	1	0
Grants	1	3	1	0	0	0
Anti Social Behaviour	2	1	1	0	1	0
Rents	0	1	0	0	0	0
WHQS (External)	6	8	3	5	3	3
Private landlord	1	0	1	0	0	0
Homelessness	1	3	1	1	0	1
Heating	0	0	0	1	0	0
TOTAL	45	44	24	26	15	14

5.4.6 The 8 housing management Stage 2 complaints related to various aspects of the service including recharge to owner/occupier for shared fence, height of dividing fence, costs incurred at end of tenancy, categorisation of a property and a succession to a tenancy query.

5.4.7 There were 7 WHQS (internal) Stage 2 complaints which related to either the quality of workmanship or a delay in providing the service.

5.4.8 There were 5 WHQS (external) Stage 2 complaints which related to the quality of workmanship, outstanding works and potential health and safety issues.

5.5 Outcome of Stage 1 and Stage 2 Complaints

5.5.1 The outcome of Stage 1 and Stage 2 complaints is recorded as not upheld, partially upheld or upheld. The table below shows the outcomes recorded for all Stage 1 and Stage 2 complaints recorded for 2018/19.

Stage 1				
Function Area	Not Upheld	Partially Upheld	Upheld	On Hold
Housing Management	7	0	4	
Response repairs	2	2	0	
WHQS (internal)	5	2	1	
WHQS (external)	2	3	3	
Allocations	3	1	0	
Leaseholders	0	1	0	
Homelessness	2	1	0	
Grants	2	0	1	
Anti Social Behaviour	1	0	0	
Rents	1	0	0	
Total	25	10	9	

Stage 2				
Function Area	Not Upheld	Partially Upheld	Upheld	On Hold
Housing Management	5	1	2	
WHQS (internal)	3	2	2	
WHQS (external)	3	2	0	
Leaseholder	2	0	0	
Response repairs	1	0	0	
Homelessness	1	0	0	
Heating	1	0	0	
Allocations	1	0	0	
Total	17	5	4	

5.6 Stage 1's Upheld

- 5.6.1 There were 9 Stage 1 complaints upheld in 2018/19 compared with 1 in 2017/18. 4 of these cases related to housing management issues. In one case a tenant was recharged for a repair to a damaged section of fence. However, on review it was realised he had not been given the opportunity to consider arranging the repair himself. An apology was provided and the charge was cancelled. The second complaint related to a joint tenant with a hearing impairment who applied for housing in his sole name but communication was sent in joint names and his request for an interpreter was missed. The investigation highlighted that the automatic system in place for arranging tenancy reference appointments failed to recognise any change in circumstances or tenants with special requirements. A meeting was arranged with the tenant and his interpreter to apologise and explain that the process has now been amended. In the third case a former tenant's son handed in the keys to his mother's property but appealed the fact that rent was charged until a copy of the death certificate was received 2 weeks later. An apology was provided and the rent charge withdrawn. The remaining case was in relation to tenants requiring damp works at their property. They were originally moving out on a temporary basis but due to the extent of problems it was later agreed they could move on a permanent basis. The tenants asked for assistance with the move but this was initially refused as it is usually only available for temporary moves. The circumstances were reviewed and assistance with the move was provided.
- 5.6.2 There were 3 WHQS (external) Stage 1 complaints upheld. In the first case tenants complained that the contractor had left drains uncovered for several hours. An apology was provided and the contractor returned that day to rectify. In the second case the tenant had reported an issue with his front and back doors leaking but no action had been taken. There had been a delay in the contractor measuring and ordering the doors. An apology was given and the order arranged. In the remaining case an owner/occupier complained his roof had sustained damage while contractors were carrying out work on the council property next door. An apology was provided and the contractor returned to rectify the works.
- 5.6.3 The 1 WHQS (internal) Stage 1 complaint upheld related to the quality of work as a whole provided by the contractor and sub contractors involved. The contractor concerned is no longer being used by Caerphilly Homes. A full apology was provided and the works were completed by the in house team. This case progressed to a Stage 2
- 5.6.4 There was 1 Stage 1 complaint upheld for the Private Sector in relation to a property appreciation loan. There had been an error made in the way the redemption figure was calculated. An apology was provided and arrangements made to refund the difference..

5.7 Stage 2's Upheld

- 5.7.1 There were 4 Stage 2 complaints upheld in 2018/19 compared with 3 in 2017/18. There were 2 cases relating to WHQS internal works. The first case related to the time taken to complete the internal works and the standard of works undertaken by the contractor. An apology was provided and arrangements made for all issues to be rectified. The second case progressed from Stage 1 and related to the quality of work as a whole provided by the contractor and sub contractors involved. A full apology was provided and the works were completed by the in house team.
- 5.7.2 There were two Stage 2 cases upheld relating to housing management issues. In the first case a former tenant appealed against the decision to recharge her for the removal of laminate flooring when her tenancy ended as she had previously received retrospective landlords consent to fit the flooring. On investigation it was accepted the wording implied the laminate flooring could remain in situ so the recharge was withdrawn and the wording in the letter reviewed. The second case escalated from a Stage 1 in 2017/18. This related to a tenant who complained about the condition of the top level of her garden and fire damaged patio slabs which were not replaced before the start of her tenancy. On review it was noted a large number of garden works had been carried out during the end of tenancy period but at that time the green area concerned was not overgrown so not identified as a potential problem. It was agreed this should be reassessed and any appropriate remedial works carried out. It was also agreed that as the patio slabs could not be cleaned the damaged slabs would be replaced.

5.8 Ombudsman Complaints

- 5.8.1 There were 9 cases, in total, referred to the Public Services Ombudsman for Wales compared with 6 cases in 2017/18. 6 of the cases were referred after they had followed the Council's corporate complaints procedure and none of these cases was investigated. The remaining 3 cases were referred prematurely before following the corporate complaints procedure. In 2 of these cases the Ombudsman decided not to investigate but in the remaining case a 'Quick Fix' solution was agreed. The complainant had completed an online complaint form to report repairs and had assumed this would be dealt with as a corporate complaint. However, as this was the first notification of these repairs the contact was dealt with as a service request. We failed to advise the complainant of this course of action so agreed with the Ombudsman that we would send a letter of apology to the complainant and an explanation of our actions in relation to the reported issues.

5.9 Response Target Times

- 5.9.1 The Customer Service Section monitors the performance in responding to all contacts recorded by the section, within the corporate timescales. 93% of complaints and representations were responded to within the agreed timescales compared with 94% in 2017/18.

5.10 Learning from Complaints

- 5.10.1 Complaints are used as a means of analysing the service provided by Caerphilly Homes and highlighting any areas for improvement or any necessary changes in existing policies and procedures. The following are some examples of 'lessons learned' and the associated changes that have been made:
- 5.10.2 An elderly tenant's daughter appealed against a recharge her mother received for an alarm call out, stating the alarm had been tampered with. The appeal letter advised that she was present when her mother signed for the tenancy and when they were advised there was an alarm present they explained they would not require an alarm and made an immediate request for the alarm to be removed. They explained that they would need to be in and out of

the property to decorate etc so could the alarm be removed as soon as possible. They were advised at that time that 24hrs notice was required to remove the alarm but it would be disarmed with immediate effect. On completing the sign up the tenant and her family went to the new property. At that time the alarm went off. On checking with the housing office there was no apparent reason why the alarm had not been disarmed and the housing officer agreed to contact the alarm company again. A couple of days later the alarm had not been removed, however it was placed in an area they wanted to decorate so the tenant's son in law unscrewed the alarm believing it to have been disarmed. A short time later an engineer arrived at the property explaining he had received a call out as the alarm had been 'tampered' with. Subsequently the tenant received a recharge for the call out. While considering this appeal it was accepted that the information provided at sign up was not clear enough that even when the alarm has been disarmed is still remains active and should not be tampered with in any way. As a result the recharge was withdrawn and the wording on the alarm instruction sheet has been amended to try to prevent any future misunderstanding.

5.10.3 An owner occupier contacted the building maintenance team to question why the renewed fence between them and their neighbour is only 900mm high when another neighbour has recently had a new fence and theirs is 1200mm high. The owner occupier is unhappy as they have to contribute £500 towards the replacement fence and due to its height, it is failing to keep the neighbours dog out of their garden. The Area Housing Manager explained their fence was renewed by the Housing Repairs Operations team some time ago and they replaced the fence on a 'like for like' basis. The neighbouring fence was renewed under the Welsh Housing Quality Standards programme at 1200mm in height. In this circumstance, even though the divisional fence between the owner occupier and council property was appropriate, the Chief Housing Officer has recommended that where defective fencing is required to be completely renewed, it is replaced with 1200mm fencing in the future

5.10.4 A leaseholder received an invoice for £85.00 as a contribution payment under the terms of their lease agreement. The invoice related to the repair/renewal of a balcony door within the block of flats. The leaseholder felt it unfair to have to make a contribution towards these costs for the following reasons:

- The leaseholder makes reference to an officer calling approx. 30 years ago to advise their front doors are standard and are not a structural part of the building. The leaseholder believes the same principle would apply to the balcony doors and therefore should not be requested to contribute to this cost.
- The leaseholder does not have access to these doors as they are accessed privately from the individual tenants flat.
- The leaseholder advised repairs had been carried out on balcony doors previously and they had not received an invoice for this in the past.

Enquiries were made into the leaseholders concerns however it was deemed the doors were part of the structure of the building and therefore the contribution request was correct. Further investigation into how the damage was caused to the balcony doors led to the decision not to recharge the leaseholder. This was not due to the reasons the leaseholder provided but due to Orbis damaging the balcony door whilst screening therefore it would not be appropriate to recharge leaseholders - moving forward it has been agreed for the doors to be photographed before Orbis screens to check for damage

5.10.5 In relation to the increase in complaints for WHQS, following consultation with the Repairs and Improvement (R&I) Group changes have been made to the communication process and letters that are sent to tenants. The way in which customer satisfaction surveys are conducted has also changed by now undertaking these via telephone in the first instance, rather than by post, to allow more relevant data to be gathered from the tenant. Changes have also been made to the way contract meetings are structured with increased emphasis on the Charter for Trust and ensuring that the requirements are communicated to all the workforce including sub-contractors

5.11 Recharge Cases

5.11.1 A report was approved by Cabinet in March 2018 that the Rechargeable Repairs and Appeals Panel be discontinued and all second stage formal reviews be investigated using a process that mirrors the second stage of the Corporate Complaints Procedure. Between the 1st April 2018 and the 31st March 2019 there were 9 second stage formal reviews investigated compared with 5 cases considered by the Recharge Review Panel in 2017/18.

5.11.2 In 5 cases it was determined the recharge(s) should remain, in 3 cases the recharge(s) was withdrawn and in 2 cases it was determined part of the recharge should remain and part of the charge be withdrawn.

5.12 Conclusion

5.12.1 Whilst the number of formal complaints has remained relatively constant compared with last year it is noted that some areas, such as housing management, have decreased in number whilst other areas, such as WHQS have increased which is considered to be due to the increased volume of these works. It should also be noted that the majority of these complaints relate to external contractors and not the in-house workforce. The outcome of many complaints dealt with enable us to implement changes and improve on the service provided. An important part of dealing with complaints are the lessons learned and any actions agreed as a result of recognising when we need to put things right for the customer and the service area as a whole.

6. ASSUMPTIONS

6.1 The information contained in this report is based on data collected over the year and therefore it has not been necessary to make assumptions.

7. LINKS TO RELEVANT COUNCIL POLICIES

7.1 Monitoring of the Council's corporate complaints and successful resolution of those complaints contributes to the following Well-Being goals within the Well-being of Future Generations Act (Wales) 2015 as it supports the provision of higher quality and more effective services to the public across all service areas.

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

In addition monitoring provides information on the level of satisfaction of the services provided. The result of monitoring enables us to focus on areas of concern, improve services, ensure any trends or issues raised are identified and dealt with to avoid them in the future and to ensure complaints are dealt with consistently and fairly across the housing service.

8. WELL-BEING OF FUTURE GENERATIONS

8.1 This report contributes to the Well-being Goals as set out in Links to policies above. It is

consistent with the five ways of working as defined within the sustainable development principle in the Act in that the monitoring of the Council's corporate complaints handling across all service areas and enables departments to focus on areas of concern, to improve services and to monitor performance to ensure that any issues raised are identified and dealt with so as to be avoided in future.

9. EQUALITIES IMPLICATIONS

- 9.1 Any complaints received by Caerphilly Homes that contain alleged discriminatory aspects to them are dealt with jointly by Caerphilly Homes and the Equalities, Welsh Language and Consultation Team to ensure that the allegations are investigated thoroughly and appropriately, in line with both the complaints process and the requirements of the Strategic Equality Plan and Welsh Language Standards.

10. FINANCIAL IMPLICATIONS

- 10.1 There are no direct financial implications associated with this report.

11. PERSONNEL IMPLICATIONS

- 11.1 There are no direct personnel implications associated with this report.

12. CONSULTATIONS

- 12.1 The views of the consultees have been incorporated into this report.

13. STATUTORY POWER

- 13.1 Local Government and Housing Acts.

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Consultees: Dave Street, Corporate Director Social Services and Housing
Cllr Lisa Phipps, Cabinet Member for Homes and Places
Cllr John Ridgewell, Chair Housing & Regeneration Scrutiny Committee
Cllr Mrs Christine Forehead, Vice Chair Housing & Regeneration Scrutiny Committee
Shaun Couzens, Chief Housing Officer
Fiona Wilkins, Housing Services Manager
Paul Smythe, Housing Technical Manager
Lisa Lane, Deputy Monitoring Officer
Mandy Betts, Tenant and Community Involvement Manager
Anwen Cullinane, Senior Policy Officer, Equalities and Welsh Language
Gemma Hoare, Housing Officer, Customer Services

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HOUSING AND REGENERATION SCRUTINY COMMITTEE – 15TH OCTOBER 2019

**SUBJECT: HOUSING REVENUE ACCOUNT BUDGET MONITORING – PERIOD 4
2019/20**

REPORT BY: CORPORATE DIRECTOR FOR SOCIAL SERVICES AND HOUSING

1. PURPOSE OF REPORT

- 1.1 To inform Members of projected revenue expenditure for the Housing Revenue Account (HRA) for the 2019/20 financial year. The HRA capital programme which is predominantly funded by the HRA is also included within this report.

2. SUMMARY

- 2.1 Members will be aware of the distinction between the HRA, which is funded by rental income received from council tenants, and General Fund Housing activities, which fall under the General Fund and are funded via the Council taxpayer. Although there is a clear separation of these funds, the majority of council tenants rent is funded from housing benefits which are derived from the tax payers purse and therefore value for money must always be sought.
- 2.2 The report outlines the projected outturn for the HRA based upon the expenditure and income for the first four months of the year
- 2.3 The HRA budget for 2018/19 is £51.7m with its main components consisting of £11m of salaries (net of WHQS funding), £9.5m of capital financing charges, £9.3m of response repairs, and £17m of revenue contributions to fund the WHQS programme. The spend on the HRA is self financed mainly by the rental income we collect from our Council Tenants of which about 71% is funded by Housing Benefits. The underspend at period 4 is projected to be £2.3m and the main reason for this is detailed below.

3. RECOMMENDATIONS

- 3.1 Members are requested to note the contents of the report.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that Members are informed of the projected financial position of the Housing Revenue Account

5. THE REPORT

5.1 Introduction

- 5.1.1 The HRA is currently projecting a £2.3m under-spend, which represents about 4% of the total

HRA budget. The main variances are summarised below and full financial details are provided in Appendix 1.

5.2 Salaries & Mileage (£195k under spend)

5.2.1 Salaries and associated costs within the HRA are currently expected to underspend by some £195k against a £11m salary. There are some offsetting over and under spends in this area given the volume of staff which includes sickness cover, request for reduced hours and timing for filling vacant posts.

5.3 Non Pay related (£101k under spend)

5.3.1 The main area of underspend is associated with office related costs of £51k such as stationery, photocopying, postage, office equipment, maintenance and cleaning. A further £50k underspend is attributable to budgets that are service specific such as void security, shop management, tenant participation, and catering & utility charges within our sheltered schemes.

5.3.2 Typically there are some budget areas within this category that tend to be quite volatile and therefore could generate further savings throughout the year, such as bad debt provisions, various housing projects and other office costs.

5.4 Building Maintenance & Response Repairs (£365k under spend)

5.4.1 This area is currently projecting an underspend of some £365k. This is made up of £505k under spend in cyclical and revenue projects which includes damp proofing, non – DLO works, sheltered & infrastructure projects, gas & electrical servicing, and safety works, offset by a £140k over spend in Response Repairs which includes transport costs and sub contractors.

5.4.2 The increase in spend in Response Repairs is as a result of increased works associated with supporting the WHQS Programme. Integration within the HRO and WHQS teams has however been evidenced on areas such as mopping up works, electrical works for no access issues and ensuring all void properties are brought up to WHQS standard before being re-let. There has been additional income into this budget as a result of recharging the WHQS budget for the work and efficiencies have also been made within the revenue projects budget where HRO have absorbed costs within its core budget.

5.4.3 The contingency budget of £500k is prudently assumed to be fully committed at this stage, but may release further savings if not fully utilised by year end.

5.4.4 As a result of incorporating the costs of delivering the Building Maintenance service within the HRA, the WHQS holding account was set up to monitor the in house workforce costs that are recharged to the WHQS capital programme. A budget of £10.5m has been allocated in 2019/20 along with an income recharge to the capital programme so that the HRA has a nil cost. This budget is currently not projecting any variance but work is ongoing to ensure adequate resource is available as we head into the final stages of the WHQS programme.

5.4.5 A further budget is set in the HRA for the Management and Delivery of the WHQS Programme. Current projections are showing an underspend of some £440k due to staff turnover but as per the In house holding account, this is also recharged fully to the WHQS Programme and is therefore a nil cost to the HRA. The WHQS programme will therefore benefit from this saving.

5.5 Capital Financing Requirement (CFR) (£1m underspend)

5.5.1 There is a CFR budget of £9.5m which is a Minimum Revenue Provision (MRP) of £2.6m to repay the HRA debt and £6.9m of interest charges. The HRA debt consists of historical debt

and the debt which was taken up in 2015 as part of the Buy Out of the Housing Revenue Account Subsidy (HRAS) system. More recently the CFR debt has increased due to the borrowing needed to part fund the WHQS Programme (£23m in 2018/19) but this was not actioned until the 2019/20 financial year where more favourable rates were available.

5.5.2 This has resulted in a lower CFR figure at 2018/19 year end than anticipated which means a lower MRP charge in 2019/20 (because MRP is charged a year after the borrowing has been taken up) and a lower interest charge (because the interest is applied against a lower figure) thus creating a £1m saving this year.

5.6 **Income (£169k under spend)**

5.6.1 Based on our quarter 1 projections the HRA income is likely to increase slightly. Income varies throughout the year especially on rental and service charges due to void fluctuations.

5.7 **Revenue Contributions to Capital Outlay (RCCO) (£440k under spend)**

5.7.1 The HRA allows for some £17m of revenue contributions towards the WHQS Programme and this includes an element for the WHQS management team responsible for the delivery of the WHQS Programme which is anticipating a £440k underspend as explained in 5.4.5 above.

5.7.2 The total expenditure on the WHQS capital programme as at period 4 is some £12m against a budget of £56m. £4.5m of the spend relates to internal spend and £6.4m relates to external spend with the remainder on large scale voids, garages and works of adaptations

5.7.3 The HRA RCCO allocation will fund this budgeted spend in addition to the £7.3m Major Repairs Allowance (MRA) from Welsh Government, with the remaining balance being funded from HRA working balances and borrowing

5.7.4 Borrowing of £23m was taken up for the first time since the start of the WHQS Programme to fund expenditure in 2018/19. A further £34m borrowing is projected for 2019/20 based on a £56m spend but this is being monitored throughout the year. Furthermore the £56m budget represents the likely spend on work for the remaining properties in the programme in the final year. The anticipated completion date is currently June 2020 so therefore the budget could span 2 financial years and will be reprofiled accordingly.

5.7.5 WHQS Internal works as at week 18 (2/8/19) is 89.66% compliant – monitored weekly

5.7.6 WHQS External works at week 16 (19/7/19) is 78.65% compliant – monitored monthly

5.7.7 Full WHQS compliance (where properties have achieved both internal and external compliance) is 60.06% achieved in the first 4 months.

5.7.8 100% full compliance is expected to be achieved by June 2020 ahead of the December 2020 deadline.

5.7.9 A Post Asset Management Strategy (PAMS) working group has been set up to ensure that the WHQS standard is continuously maintained once full compliance is achieved. A 5 year external programme is currently being worked on which will be costed out and applied to the Housing Business Plan to ensure it remains financially viable.

5.8 **HRA Working Balances**

5.8.1 Working balances at the start of 2019/20 financial year were £5.5m. This is expected to be fully utilised this year against the WHQS Programme

5.8.2 Whilst priority will be given to the delivery and achievement of the WHQS Programme, borrowing may be required to increase the supply of council housing to meet the Welsh

Governments proposal that 20,000 new homes be delivered in Wales by 2021.

6. ASSUMPTIONS

- 6.1 Assumptions linked to this report were detailed in the budget report to Council on 21st February 2019.
- 6.3 The projected outturn position is based on actual income and expenditure details to the end of July 2019, together with data used to forecast future income and expenditure, following discussions with Managers.

7. LINKS TO STRATEGY

- 7.1 The contents of this report are in accordance with the Budget Strategy agreed by Council at its meeting on 21st February 2019.
- 7.2 Effective financial planning and financial control contribute to the following Well-being Goals within the Well-being of Future Generations (Wales) Act 2015: -
- A prosperous Wales.
 - A resilient Wales.
 - A healthier Wales.
 - A more equal Wales.
 - A Wales of cohesive communities.
 - A Wales of vibrant culture and thriving Welsh Language.
 - A globally responsible Wales.

8. WELL-BEING OF FUTURE GENERATIONS

- 8.1 Effective financial management including the effective utilisation of external grant funding is a key element in ensuring that the Well-being Goals within the Well-Being of Future Generations (Wales) Act 2015 are met.

9. EQUALITIES IMPLICATIONS

- 9.1 This report is for information purposes, so the Council's Equalities Impact Assessment (EqIA) process does not need to be applied.

10. FINANCIAL IMPLICATIONS

- 10.1 As detailed throughout the report.

11. PERSONNEL IMPLICATIONS

- 11.1 There are no direct personnel implications arising from this report.

12. CONSULTATIONS

- 12.1 There are no consultation responses that have not been reflected in this report.

13. STATUTORY POWER

13.1 Local Government Acts 1972 and 2003 and the Council's Financial Regulations.

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Consultees: Cllr J. Ridgewell, Chair Housing & Regeneration Scrutiny Committee
Cllr C. Forehead, Vice Chair Housing & Regeneration Scrutiny Committee
Cllr L. Phipps, Cabinet Member for Homes & Places.
D. Street, Corporate Director Social Services
S. Couzens, Chief Housing Officer
S. Harris – Interim Head of Business Improvement Services and Acting S151 Officer
F. Wilkins – Public Sector Housing Manager
P. Smythe – Housing Technical Manager

Appendices:
Appendix 1 HRA Financial Plan 2019/20 (Period 4)

Appendix 1

HOUSING	Page	Estimate	Projected	Variance
	No	2019/2020	2019/2020	2019/2020
<u>HOUSING REVENUE ACCOUNT</u>		£	£	£
<u>SUMMARY</u>				
GENERAL MANAGEMENT		1,236,433	1,216,993	19,440
CAPITAL FINANCING		9,503,210	8,450,389	1,052,821
CENTRAL RECHARGES		2,292,722	2,290,477	2,245
STRATEGY AND PERFORMANCE		1,747,372	1,615,269	132,103
PUBLIC SECTOR HOUSING		5,616,070	5,568,577	47,493
SUPPORTED HOUSING		-	-	-
BUILDING MAINTENANCE SERVICES		31,354,060	30,453,156	900,904
GROSS EXPENDITURE		51,749,867	49,594,861	2,155,006
INCOME		(51,749,867)	(51,919,070)	169,203
(SURPLUS)/DEFICIT CONTRIBUTION (TO)/FROM WORKING BALANCES		-	(2,324,209)	2,324,209
<u>HOUSING REVENUE ACCOUNT</u>		£	£	£
<u>GENERAL MANAGEMENT</u>		1,236,433	1,216,993	19,440
<u>CAPITAL FINANCING COSTS</u>				
Interest Charge		6,903,221	6,314,414	588,807
Principal		2,556,989	2,092,975	464,014.00
Debt Management		43,000	43,000	-
Resheduling Discount		-	-	-
EXPENDITURE TO HRA SUMMARY		9,503,210	8,450,389	1,052,821
<u>CENTRAL RECHARGES</u>				
Central Recharges		1,810,175	1,810,175	-
Grounds Maintenance recharge to HRA		482,547	480,302	2,245
EXPENDITURE TO HRA SUMMARY		2,292,722	2,290,477	2,245

<u>HOUSING REVENUE ACCOUNT</u>		£	£	£
STRATEGY & PERFORMANCE		143,299	126,350	16,949
PERFORMANCE DEVELOPMENT		693,118	648,601	44,517
COMMUNICATIONS & ENGAGEMENT		117,281	116,414	866.67
TRANSFORMING LIVES & COMMUNITIES		793,674	723,244	70,430
HOUSING SUPPLY (HRA)		-	660	(660)
EXPENDITURE TO HRA SUMMARY		1,747,372	1,615,269	132,103
<u>HOUSING REVENUE ACCOUNT</u>		£	£	£
<u>PUBLIC SECTOR HOUSING</u>				
Landlord General		173,862	178,146	(4,284)
Sheltered Accommodation		1,477,027	1,432,588	44,439
Holly Road Community Support		3,922	4,014	(92)
Eastern Valley AHO		679,443	707,062	(27,619)
Upper Rhymney AHO		831,354	847,355	(16,001)
Lower Rhymney Valley AHO		33,091	36,674	(3,583)
Gilfach NHO		-		-
Lansbury Park NHO		357,514	330,758	26,756
Graig Y Rhacca NHO		288,836	279,844	8,992
Housing Allocations Cont.		144,839	144,839	-
Tenants & Communities Involment		510,761	496,983	13,778
Leaseholders Management		66,167	85,004	(18,837)
Tenancy Enforcement		283,474	271,327	12,147
Rents		811,455	799,659	11,796
Community Wardens		(45,675)	(45,675)	-
EXPENDITURE TO HRA SUMMARY		5,616,070	5,568,577	47,493

<u>HOUSING REVENUE ACCOUNT</u>		£	£	£
<u>RESPONSE REPAIRS & MAINTENANCE</u>				
Employee Expenses net of recharges		1,470,448	1,400,360	70,088
Repairs & Maintenance on Housing Stock				
Responsive Repairs		9,340,056	9,510,881	(170,825)
Revenue Contribution to Capital - WHQS Programme		17,086,210	16,643,997	442,213
Group/Planned Repairs (priorities 5 & 8)		-	-	-
Void Repairs (priority 6)		-	-	-
Revenue Projects		1,444,000	1,192,181	251,819
Planned Cyclical		1,747,336	1,494,841	252,495
Planned Programme		-	-	-
		29,617,602	28,841,900	775,702
Transport Related		42,800	54,051	(11,251)
Supplies & Services		223,210	156,846	66,364
EXPENDITURE TO HRA SUMMARY		31,354,060	30,453,156	900,904

<u>HOUSING REVENUE ACCOUNT</u>		£	£	£
<u>INCOME</u>				
<u>Rents - Dwelling</u>				
Gross Rent - Dwellings	(45,563,933)	(46,100,058)	536,125	
Gross rent - Sheltered	(4,556,918)	(4,234,242)	(322,676)	
Gross Rent - Hostel	-	-	-	
Voids - General Needs Dwelling/Sheltered	815,000	799,955	15,045	
Add'l Income O/Side Rent Debit (WHQS)	-	(1,693)	1,693	
Voids - Hostel	-	-	-	
Net Rent	(49,305,851)	(49,536,039)	230,188	
<u>Rents - Other</u>				
Garages	(355,307)	(351,812)	(3,495)	
Garage Voids	157,163	137,803	19,360	
Shop Rental	(59,872)	(52,861)	(7,011)	
	(258,016)	(266,871)	8,855	
<u>Service Charges</u>				
Sheltered - Service Charges	(1,447,744)	(1,415,372)	(32,372)	
Sheltered - Heating & Lighting	(151,798)	(124,006)	(27,792)	
Sheltered & Dispersed- Alarms	-	-	-	
Catering Recharge - Sheltered Accommodation	(33,438)	(28,583)	(4,855)	
Voids Schedule Water	69,741	70,351	(610)	
Non Scheduled Water Rates	(45,654)	(41,443)	(4,211)	
Welsh Water Commission	(546,807)	(546,807)	-	
Leaseholder - Service Charges	(10,000)	(10,000)	-	
	(2,165,700)	(2,095,861)	(69,839)	
<u>Government Subsidies</u>				
Housing Subsidy	-	-	-	
	-	-	-	
<u>Interest Receivable</u>				
Mortgage Interest	(300)	(300)	-	
Investment Income	(10,000)	(10,000)	-	
	(10,300)	(10,300)	-	
<u>Miscellaneous</u>				
Miscellaneous	-	-	-	
Private Alarms	-	-	-	
Ground Rent	(10,000)	(10,000)	-	
	(10,000)	(10,000)	-	
<u>INCOME TO HRA SUMMARY</u>				
	(51,749,867)	(51,919,070)	169,203	

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