



POLICY AND RESOURCES SCRUTINY COMMITTEE

**MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH ON
TUESDAY, 18TH JULY 2017 AT 5.30 P.M.**

PRESENT:

Councillor J. Pritchard - Chair

Councillors:

M. Adams, K. Etheridge, Miss E. Forehead, L. Harding, G. Kirby, C.P. Mann, R. Saralis,
Mrs M.E. Sargent, J. Taylor, L.G. Whittle

Cabinet Members:

C. Gordon (Corporate Services), Mrs L. Phipps (Homes and Places)

Together with:

C. Harray (Corporate Director - Communities), S. Couzens (Chief Housing Officer), P. Smythe (Housing Repair Operation Manager), A. Hiscox (Housing Manager), S. Cousins (Principal Housing Officer - Housing Portfolio), C. Davies (Principal Housing Officer), E. Sullivan (Interim Scrutiny Officer) and R. Barrett (Committee Services Officer)

Also present:

Mr C. Davies and Mrs S. Jones (Tenant Representatives - Caerphilly Homes Task Group)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Mrs E.M. Aldworth, K. Dawson, Mrs C. Forehead, J. Ridgewell, Mrs D. Price (Vice Chair) and Mrs B. Jones (Cabinet Member for Finance, Performance and Governance), together with N. Scammell (Acting Director of Corporate Services and Section 151 Officer).

2. DECLARATIONS OF INTEREST

Mrs E. Sullivan declared an interest in Agenda Item 8 (Review of Housing Service Charges). Details are minuted with the respective item.

3. MINUTES - 6TH JUNE 2017

RESOLVED that the minutes of the Policy and Resources Scrutiny Committee held on 6th June 2017 (minute nos. 1 - 10) be approved as a correct record and signed by the Chair.

4. CALL-IN PROCEDURE

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

5. REPORT OF THE CABINET MEMBERS

The Scrutiny Committee received verbal reports from Councillors C. Gordon and Mrs L. Phipps, and noted the contents of the report from Councillor Mrs B. Jones, which had been circulated to Members in advance of the meeting. Questions and comments were invited on the contents of the reports.

Councillor C. Gordon (Cabinet Member for Corporate Services) reported on recent developments across Human Resources (HR), including annual leave payments arising from recent holiday pay legislation, resolution of the equal pay claim litigation, early discussions relating to HR collaboration across the five Gwent local authorities, details of a staff survey, and staff involvement in recent tourism events across the county borough.

Members were informed of several key activities across IT and Central Services, including the implementation of the new WCCIS IT system for Social Services, ongoing work regarding potential IT collaboration, and preparation for the General Data Protection Regulation. The Scrutiny Committee were pleased to note positive user comments received by the Customer Services Team, and of Procurement Services' involvement in the completion of Islwyn High. The Cabinet Member added that as part of his new portfolio, he had recently visited the Customer Services Centres and had also met with HR, Communications and trade union staff.

Discussion took place regarding the staff survey participation levels and response rate (26%), with Members advised that a response rate exceeding 25% is classed as "good". This is the first survey of its kind for several years, with over 9000 Council employees surveyed, and the results will be reported to the Policy and Resources Scrutiny Committee in due course. A Member queried whether the response rate could have been higher if sent to school staff, and it was explained that this particular survey only relates to non school-based employees.

Reference was also made to potential collaborative working in relation to HR and IT Services, with it noted that discussions for the HR Service are at a very early stage. It was explained that the potential for the Council to join a Greater Gwent collaborative IT service is currently being assessed, and a meeting has been held with staff to address their concerns. The Council are due to meet with Newport counterparts to view examples of how a shared service can be established, and it is intended for a report on this matter to be brought to the Scrutiny Committee in the autumn.

Councillor Mrs L. Phipps (Cabinet Member for Homes and Places) presented her report and also referred to the new Islwyn High school, which had been designed by the Building Consultancy team, and had been completed within budget and on time. The Cabinet Member outlined the WHQS progress made against Caerphilly Homes, with the Rowan Place internal and external works nearing completion. Members were referred to two reports relating to the WHQS scheme due to be presented later in the evening, and were asked to note that to date internal improvements have been delivered to 5874 properties and external works to 1320 properties, which results in over 60% of the housing stock having benefitted from certain elements of this programme. It is anticipated for the number of fully WHQS compliant

properties to significantly increase during 2017/18, as both internal and external contracts are planned for completion within the same community areas.

Members were informed that the Cabinet Member, Officers, representatives of the Caerphilly Homes Task Group, and Housing Partners, recently visited a number of existing and future affordable housing schemes, for which Welsh Government is making funding available. The Council's Housing Division has also secured external funding for affordable housing totaling just over £16m for development through the county borough over the next four years.

The Scrutiny Committee were advised of a recent WAO review of the Council's arrangements for delivering the WHQS programme. A response to the recommendations made by WAO is currently being drafted for consideration by Cabinet. The Cabinet Member also referred to the external insulation cladding used in the refurbishment of Council homes and confirmed that it meets all necessary building and safety standards. This information has been relayed to staff and the public by the Communications Unit.

Discussion took place regarding the WHQS works and a Member relayed the concerns raised by some contractors over the continued funding of the programme. Officers confirmed that there is sufficient funding in place to allow for the completion of all internal and external works. Members were reminded that any contractor issues are taken to the WHQS Project Board and that contingencies are also in place to deal with any such issues. The Scrutiny Committee were encouraged to contact the Cabinet Member with any queries or concerns regarding the WHQS programme. Members also held a discussion on the need to improve the availability of affordable housing in the county borough.

The Cabinet Members present were thanked for their reports.

6. POLICY AND RESOURCES SCRUTINY COMMITTEE FORWARD WORK PROGRAMME

Emma Sullivan (Interim Scrutiny Officer) presented the report, which outlined details of the Policy and Resources Scrutiny Committee Forward Work Programme (FWP).

Members were advised that the FWP included all reports agreed at the meeting held on 6th June 2017 and at the Scrutiny Committee workshop on 28th June 2017, and outlined the reports planned for the period July 2017 to July 2018. Members were asked to consider the FWP alongside the Cabinet Work Programme as appended to the report and to suggest any changes.

Discussion took place regarding the items listed on the Forward Work Programme. It was agreed that the Wales Audit Office - WHQS Review report listed on the FWP be scheduled for 3rd October 2017, and that Local Housing Strategy be added to the FWP under date to be confirmed.

It was agreed that subject to the foregoing amendments, the Policy and Resources Scrutiny Committee Forward Work Programme be published on the Council's website.

7. CABINET REPORTS

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

REPORTS OF OFFICERS

Consideration was given to the following reports.

8. REVIEW OF HOUSING SERVICE CHARGES

Emma Sullivan (Interim Scrutiny Officer) declared a personal interest in this item, having a family member who is a tenant in sheltered housing accommodation within the borough.

Shaun Couzens (Chief Housing Officer) and Angela Hiscox (Housing Manager) presented the report, which had previously been considered by the Caerphilly Homes Task Group on 6th July 2017. The report sought the views of the Scrutiny Committee on a review of how service charges are collected within Sheltered Housing, and the need to review service charges for General Needs accommodation, prior to its presentation to Cabinet.

Officers explained that the Housing (Wales) Act 2014 imposed a new duty for local authorities to comply with standards for housing quality, rents and service charges. Local Authorities are required to review the way in which charges for services are claimed to ensure that tenants are only charged for services that they receive. Detailed guidance has not been provided but it is required that service charges fairly reflect costs incurred and be transparent with a detailed breakdown provided to tenants so they can see what they are paying for.

The Authority currently recovers its costs for services it provides to tenants in sheltered housing schemes by smoothing these costs between all tenants within all of the schemes, which is contrary to Welsh Government (WG) policy. It is proposed that, in future, the Authority recovers from tenants the actual cost of providing services in their individual scheme, based on the calculated cost of providing the services in the previous financial year.

A communication and information plan is in place for raising awareness of the proposed changes. Sheltered Housing Officer awareness sessions have been completed and tenants meetings were held in February/March at each scheme, which included discussion around the service charges review and responded to any tenant queries/concerns. Feedback was largely positive and tenants welcomed the opportunity for a breakdown of their service charges based on actual expenditure. There will be further communication to tenants through a range of media sources prior to the implementation of any changes.

To assist existing tenants in adjusting to the changes, transitional arrangements have been proposed for two years following implementation, and thereafter their continuation will be subject to review by Officers. This will include service charge increases being capped during this period so as not to exceed the agreed annual rent increase by more than £1.

Officers provided examples of how the proposed changes could affect the amount payable by tenants, dependent on the service elements provided within their accommodation. It was noted that in order to comply with WG policy, a further report proposing the de-pooling of service charges for general needs tenants will be required.

Mrs S. Jones (Tenant Representative) was invited to the table to present the views of the Caerphilly Homes Task Group. She explained that at their recent meeting, the Task Group recognised that although there may be an impact for some tenants in terms of rent increases, the proposed changes will allow the Authority to provide detailed evidence on actual costs received and enable tenants to make successful claims for financial support in relation to Universal Credit. At that meeting, Officers also responded to concerns about future affordability, and outlined the options and support that will be made available to effected tenants. The Caerphilly Homes Task Group therefore supported the proposals and were in agreement that tenants should receive a detailed breakdown of their service charges.

Members discussed the complexity of introducing the new arrangements and queried how these would be taken forward. Officers acknowledged the challenges that lay ahead and explained that the situation is constantly changing, with an example being the WHQS programme of works, which continues to increase the number of schemes with individual utility metering for tenants. If this cannot be implemented across all schemes, then

alternatives (such as boiler control options for tenants) will be considered in order to meet the new legislation. Officers emphasised the benefits of these new arrangements in that they will be a more accurate and transparent reflection of the services that tenants received.

Discussion took place on whether the arrangements should be phased in over a longer period of time to provide a successful transition, and whether some services on offer could be deleted or relocated to fall under the remit of social care. Officers reiterated the need to implement the new charging regime as soon as possible, and explained that during the consultation process, many of the tenants had expressed a wish to retain the facilities on offer in their schemes (such as laundry services).

Reference was made to the UK government's recent 'Supported Housing Review', which has proposed that from April 2019, all tenants will receive Housing Benefit only up to the Local Housing Allowance limit, with any additional top-up funding required (such as for service charges) being devolved to Welsh Government. Officers explained that until these changes have been confirmed, they are unable to accurately assess the potential impact on tenants of sheltered housing schemes. Officers are due to attend a workshop with other agencies in the near future to discuss the implications of the proposals and seek clarification on the matter.

In response to a Member's query, Officers explained that the maximum service charge for 2017/18 will be £27.35 per week (an increase of £3.86), as the service charge increase will be capped for the two-year transitional period. If capped charges within a scheme reach actual costs during that time, the transitional arrangements for that scheme will end. Members were asked to note that details of the new charging arrangements would be communicated to tenants through a number of avenues. Including social media, the Caerphilly Homes website, notices placed in complexes and visits to tenants (where needed).

Officers also provided clarification regarding the de-pooling of general needs service charges, explaining that the report only covers service charges for sheltered housing accommodation, but that the introduction of service charges for existing tenants and services will be the subject of a report to Members in the near future. As the introduction of service charges for existing tenants would require a review of their tenancy agreement, it is planned for this to coincide with the review that will be required to implement the Renting Homes (Wales) Act 2016.

Following consideration of the report, it was moved and seconded that the following recommendations be referred to Cabinet for approval. By a show of hands, this was unanimously agreed.

RECOMMENDED to Cabinet that:-

- (i) the proposal to charge tenants of sheltered housing schemes the actual costs of providing them with services per scheme be approved;
- (ii) the proposal to introduce transitional arrangements for two years, prior to review, and to cap service charges in line with the rent policy during the transitional period, be approved.

9. WELLBEING OBJECTIVE WO5 – INVESTMENT IN COUNCIL HOME TO TRANSFORM LIVES AND COMMUNITIES

Consideration was given to the report, which provided an update in respect of Wellbeing Objective (WO5) for 2016/17 (Investment in Council Homes to Transform Lives and Communities). The report had previously been provided to the Caerphilly Homes Task Group on 6th July 2017 as an information item, and its contents were noted at the meeting.

The Scrutiny Committee noted that the internal works have achieved 2171 completions against a target of 2352 (92%) and the external completions have achieved 921 completions against a target of 3395 (27%). The total number of properties that are fully compliant with WHQS for 2016/17 stands at 270. Although some progress has been made in relation to the completion of external works, this remains significantly behind programme and requires further improvements to be made as a matter of urgency. Full details of the progress made in respect of this Wellbeing Objective were appended to the report.

It was explained that works in relation to energy efficiency and adaptations to meet tenants' specific needs have progressed well during the year. A number of 'core' community benefits have been delivered, although there has been limited progress in relation to the environmental programme. However, tenant satisfaction levels remain high with extremely low levels of complaints. Members were advised that although the programme remains challenging, improved progress has been made and new arrangements have been introduced to ensure momentum is improved to deliver the standard by 2020. Therefore, the Wellbeing Objective for 2016/17 has been assessed as being partially successful.

Discussion took place regarding the completion targets for the remaining years and the achievability of the Welsh Housing Quality Standard by 2020, in view of the slippage for external works over previous years. Officers summarised the contractor issues that have contributed to delays across the external programme of works and outlined the new contractual arrangements that have been put in place, improvements made in surveying, efficiencies introduced through mobile working and increased capacity to improve this momentum. It was explained that the slippage for previous years has been built into the target of 4675 completions for 2017/18 and hence there should be minimal slippage moving forward. Therefore achieving the Welsh Housing Quality Standard by 2020 is still considered to be deliverable.

A Member raised concerns regarding the standard of external works to some Tiryberth properties and rusting to metal roofs at some Bargoed properties. Officers confirmed that they would check whether these are WHQS-related works and respond accordingly. Arising from a discussion on the new "No Access" procedure (where tenants have failed to engage with the Council to allow improvement works to progress) a Member raised a tenant issue regarding the conclusion of WHQS internal works to their home. Officers confirmed that they would look into this matter.

Following consideration of the report and in noting its contents, Members unanimously agreed that the Wellbeing Objective WO5 (Investment in Council Homes to Transform Lives and Communities) be judged as partially successful for 2016/17.

10. YEAR END PERFORMANCE REPORT FOR CAERPHILLY HOMES

Christina HARRY (Corporate Director – Communities) presented the report, which provided an update on performance of Caerphilly Homes during 2016/17, set out the key service objectives for 2017/18 and highlighted any potential challenges that may affect the delivery of these objectives. The report had previously been provided to the Caerphilly Homes Task Group on 6th July 2017 as an information item, and its contents were noted at the meeting.

Details of performance within each Caerphilly Homes section (Housing Repair Operations, Private Sector Housing, Public Sector Housing and Welsh Housing Quality Standard) together with areas for improvement, key objectives and priorities for the year ahead, and the main risks identified, were summarised within the report.

Members were advised that overall the performance of Caerphilly Homes for 2016/17 is considered to be good, although it is accepted that there are some aspects of the service which require improvement. In addition, a number of challenges have been identified that

have resulted in action plans being developed, which have been incorporated into the 2017/18 service plan. Looking forward, the main challenge relates to Caerphilly Homes' ability to provide a high quality service that meets the needs and aspirations of service users, whilst continuing to satisfy medium term financial plan priorities and changing legislation. However, the service is regarded as well placed to respond to this challenge.

During the course of the ensuing debate, a Member queried what actions would be taken to meet the key objectives for the WHQS section and address the key risks identified for 2017/18. Officers explained that the main risks relate to the capacity to deliver the WHQS programme. However, a number of improvements have been made to procurement arrangements which have resulted in more flexibility to the capacity of the external works programme. The capacity of the internal works is also being maximised via a number of avenues, including the use of in-house services and flexible utilisation of staff across roles.

A Member queried the funding opportunities available for the community improvement programmes listed against the key WHQS service plan objectives for 2017/18. Officers confirmed that although there is sufficient funding in place to proceed with these improvements, they will also be seeking additional sources of funding via energy efficiency schemes such as ARBED.

Discussion took place regarding the reasons for the average end of tenancy void costs (£7430) and the average time taken to let a property (64 days). Officers explained that these figures reflect the WHQS works that have been carried out on void properties, which have contributed towards increased costs and void durations for 2016/17, and of the 729 voids completed by Housing Repair Operations in 2016/17, 144 were improved to WHQS standard.

In noting the completion of the Area Renewal Scheme at Senghenydd, Members placed on record their appreciation to the Private Sector Housing Team, and asked for their thanks to be conveyed to Kenyon Williams (Private Sector Housing Manager), who had recently retired from the Authority. Members also noted the positive percentage of materials recycled by Housing Repair Operations (86.5% against a 80% target).

A Member referred to a delay in the enquiry-to-approval times for Disabled Facilities Grants, Public Sector Adaptations and Minor Works Grants. Officers explained that there had been a backlog of cases due to long-term sickness absence and subsequent workload pressures. However a new appointment has recently been made which should assist in clearing the backlog and improving performance in these areas in future years.

Reference was made to the potential remodelling or redeveloping of a number of sheltered housing schemes, which is a service plan priority for 2017/18. Officers explained that they have identified a number of properties which would benefit from remodelling (mainly hard-to-let properties within the Risca area). These works could involve measures such as converting two properties into one in order to bring them up to the WHQS standard. Discussion also took place regarding a high demand for single person properties and the need to continue to invest and develop in this area.

Following consideration of the report, Members noted its contents, together with the progress made against performance objectives within Caerphilly Homes for 2016/17.

The meeting closed at 7.25 pm.

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 3rd October 2017, they were signed by the Chair.

CHAIR